



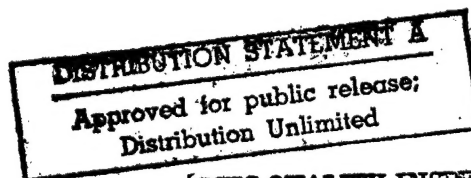
**FOREIGN
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JPRS Report

East Asia

Southeast Asia

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POLITICAL

Agreement Signed on Status of Chinese Immigrants

92SE0240A Jakarta SUARA KARYA in Indonesian
6 May 92 pp 1, 11

[Text] Beijing (SUARA KARYA)—The PRC National Peoples Congress welcomes legal cooperation with Indonesia to resolve immigration problems and the long-standing issue of PRC citizens living in Indonesia. The legal cooperation prescribed in a memorandum of understanding (MOU) between the Indonesian and PRC ministers of justice will not only strengthen friendship between the two nations, but will also enhance peace, since Indonesia and the PRC are large Asian countries.

Mrs. Lei Jiegiong, deputy chairman of the PRC National Peoples Congress said this at a meeting Tuesday afternoon [5 May] with Minister of Justice Ismail Saleh at the Great Hall of the People in Beijing. Minister Ismail Saleh was accompanied at the meeting by Indonesian Ambassador Abdurrahman Gunadirja, Director of Immigration Roni Sikap Sinuraya, Director General for CPM [expansion not given] Nico Tansil, Director of Governmental Structure and International Law Mohamad Affandi, and Deputy Chief of the State Intelligence Coordination Agency Sardjono. Deputy Chairman Lei Jiegiong was accompanied by PRC Minister of Justice Cai Cheng and Consular Director of the PRC Foreign Ministry Ji Lide.

Mao Fengping, director of the Exit-Entry Bureau of the PRC Ministry of Public Security, said in a separate meeting with Director of Immigration Roni Sikap Sinuraya that he is tightening up issuance of exit permits for PRC citizens who want to go to Indonesia. The purpose of this is to curb the illegal entrance into Indonesia of PRC citizens carrying false documents. The PRC Public Security Ministry also asks the Indonesian Embassy in Beijing to tighten up issuance of visas for Indonesia. This was according to a report from Beijing last night by SUARA KARYA correspondent Lerman Sipayung.

In her meeting with Minister of Justice Ismail Saleh, Mrs. Lei Jiegiong said that cooperation between the PRC and Indonesian Ministries of Justice is a good thing, both now and for the future. Mrs. Lei Jiegiong also expressed her pleasure that the increased friendship between the two countries has been marked by visits to China by the Indonesian president and vice president.

Meanwhile, the PRC Public Security Ministry, which issues regular PRC passports, announced that it had received complete information from the PRC Foreign Ministry about the MOU between the Indonesian and PRC ministers of justice.

In a meeting held at the request of the director of the Exit-Entry Bureau, Director General for Immigration Roni Sikap Sinuraya said that many PRC citizens have

entered Indonesia illegally using fake passports. When he heard that statement, Director of Exit-Entry Bureau Mao Fengping asked that Indonesian Immigration show him samples of illegal PRC visas and passports. He declared that he does not want any PRC citizens to be illegal immigrants in other countries.

To prevent use of illegal PRC passports by people going to Indonesia, Mao Fengping said he has temporarily stopped issuing passports in the cities of Gung-Dong, Guang-Xi, and Fukian. Visas will be issued only in Beijing.

Illegal Immigrants

Roni Sikap Sinuraya also held a meeting with Ji-Lide, consular director of the PRC Foreign Ministry. Ji-Lide said in the meeting that he will send four members of the PRC Embassy staff in Jakarta to help resolve the legal status of illegal PRC immigrants.

In an interview with SUARA KARYA and KOMPAS, Roni Sikap Sinuraya said the MOU contains an agreement to resolve the legal status of illegal PRC immigrants within six months after the MOU is signed by ministers of justice of the two countries. The PRC Government is to issue PRC passports to them, and the Indonesian Government will give them temporary residence permits. Minister of Justice Ismail Saleh said that when the legal status of the illegal immigrants has been clarified, the way will be open for them to become Indonesian citizens, as provided by Indonesian citizenship laws.

In reply to a question, Roni Sinuraya said that most illegal PRC immigrants live in Bandung. In the 1950's, some had gone back to China after hearing PRC development propaganda. Some are PRC citizens covered by PP [Government Regulation] 10 of 1959, and there are others who went back to their homeland in 1965. "Perhaps because salt is not as salty in China as in Indonesia, they came back to Indonesia illegally," said Roni Sinuraya.

Covered by Regulation 10

Roni Sinuraya said he is confident that there are no more than 1,000 PRC citizens still covered by PP 10. When the Directorate General for Immigration issued papers to PRC citizens in 1987-1988, many of them did not receive the information, particularly those in the interior of West Kalimantan and on the Riau Islands. Unscrupulous people then made them afraid to register.

When the government issued PP 10 in 1959 to ban PRC citizens from conducting businesses in level II regions, 142,000 of them registered to return to China and received exit permits. PRC ships took only 40,000 to China, leaving 102,000 people. The number steadily declined under a government policy, established by Presidential Decree 13 of 1980, that made naturalization possible. Some died, and many of the women married Indonesian men. When the Directorate General for

Immigration conducted a new count in 1987, only 4,285 were identified. Of those, 3,085 received papers, which left 1,000 people in unresolved status.

The MOU provides that the approximately 1,000 Chinese covered by PP 10 of 1959 will be legally acknowledged as PRC citizens.

Before meeting with the deputy chairman of the PRC National Peoples Congress, Minister of Justice Ismail Saleh and his party met with Deputy Chairman of the PRC Supreme Court Lin-Jhun to exchange information.

Suspicious Foreign Ship Enters Dili Port

92SE0241A Jakarta *SUARA KARYA* in Indonesian
6 May 92 p 11

[Text] Dili (ANTARA)—Authorities in Dili, East Timor, are investigating 10 aliens whose wooden ship of about 10 tons docked at the port of Dili on Tuesday morning [5 May] after slipping through the Strait of Ombai.

Customs officers were startled early Tuesday morning when they saw a foreign ship pulling up to a pier carrying passengers whose language they did not understand, ANTARA reported from Dili on Tuesday.

When the Naval Station and the East Timor Regional Police received a word of the "uninvited guests," they immediately sent teams to apprehend them.

Seven of the 10 passengers were arrested before they had time to come ashore, while the other three were found walking around the port. Officers ultimately were able to apprehend all the crew and passengers of the ship, which flew no identification flag.

Dili authorities have not been able to determine if they are merely "boat people" (people fleeing their own country by boat because of political or economic pressures).

Aboard the motor ship, which is 25 meters long and 10 meters wide, officers found three drums and a number of jerry cans of fuel, two tanks of drinking water, a quantity of food and medicine, four sets of navigation maps with Chinese texts, and a map of Indonesia.

They also found a number of letters in Chinese, Portuguese, and Indonesian; a package of cut tobacco weighing about 2 kilograms, which they suspected of being mixed with marijuana; and a traditional Chinese bamboo smoking pipe.

These items were seized for further investigation.

Police Colonel Drs. Ishak Kodijat, chief of East Timor Regional Police, who led the raid himself, and Marine

Lieutenant Colonel Th. Lubis, commandant of the Dili Naval Station, both believe the arrival of the foreign ship is suspicious and that it has a yet undetermined mission.

"We are studying and investigating the arrival of the aliens," Col. Ishak said.

The chief of Regional Police said that during preliminary investigation the passengers and crew claimed to come from Macau, the Portuguese colony in Southern China.

They claimed the ship left Macau on 1 April 1992 and, after putting in at a port in Malaysia and at Singapore, it continued directly to the Strait of Ombai and tied up at Dili.

Liang Faif Fieng (52), master, and Kho Ai Kyong (30), machinist, brought five adult men and teenage boys, two women, and a two-year-old girl named Kok Jan Kin.

Hard to Understand

The chief of Regional Police could not explain anything about the Indonesian map or the letters sent from addresses in Semarang, Gresik, Alor Island, and East Nusa Tenggara.

The language factor contributed to the problem of getting information from the people. None of them could speak English or Indonesian.

Officers were forced to bring in Lee Sang (73), an Indonesian of Chinese descent who has long resided in Dili, as an interpreter.

Despite Lee Sang's help, officers still found it difficult to get information on why the group came to Dili.

The Dili Naval Station commandant said that no evidence or indications of political intent have been found but that the tobacco was suspected of containing marijuana, which would make them subject to criminal charges.

"The tobacco is now being examined to see whether it contains marijuana or other narcotics. If not, there will be no problem with the tobacco," Lt. Col. Lubis explained.

The tin-clad wooden ship is equipped with five 240-horsepower engines and five propellers.

Officers said that with engines of that size the ship can go faster than 20 knots, making detection difficult by normally slower patrol ships.

Neither the Naval Station commandant nor the chief of Regional Police could say when the ship would be expelled, since officers found no sailing permits, passports, or other identification.

POLITICAL

Commentary on Drug Information, U.S. Interference

92WD0640E Bangkok MATICHON in Thai 11 Apr 92
p 8

[Article by Nithi Iaw-sriwong]

[Excerpt] [passage omitted] Information in Thailand, particularly information on narcotics, and intelligence data are in the hands of officials, and for the most part, they keep these data a secret. Even parliament doesn't have the power to obtain all the data. What is worse, sometimes, some of this information is intentionally leaked in order to destroy or support various politicians and groups.

The information fed to parliament is like string used to control puppets on a stage during debates in parliament. Two Thai narcotics suppression chiefs have stated that Mr. Narong is not involved in narcotics trafficking.

I don't know if the United States intentionally tried to interfere in the internal affairs of Thailand. In any event, Thailand has been hurt by this interference by a super power. Regardless of whether we have a military dictatorship or an election system, we usually try to tie this to our economic and security dependence on the United States. [passage omitted]

Reaction Over Narong Drug Charges Continues

Prasong Sunsiri Comments

92WD0657A Bangkok NAEO NA in Thai 1 Apr 92 p 5

[Interview with former National Security Council Secretary General Squadron Leader Prasong Sunsiri by NAEO NA; place and date not given]

[Excerpts] [NAEO NA] What are your views on the Narong Wongwan problem?

[Prasong] Unlike some other people, I don't view the refusal by the United States to issue Mr. Narong a visa as interference in our political affairs. Some people have raised the issue of independence and national sovereignty in order to arouse the feelings of the Thai people. I think that that is misguided. [passage omitted]

The United States, like Thailand, has the right to decide whether or not to issue a visa to someone. We can refuse to issue a visa to anyone if we think that that person poses a threat to our security. We have, for example, refused to issue visas to people from certain countries in the Middle East.

[NAEO NA] Then you think that they have the legal right to take such action, is that right?

[Prasong] The United States refused to issue Mr. Narong a visa around the middle of last year. The American

embassy in Bangkok sent a letter to Mr. Narong informing him of why he had not been granted a visa. After that, Mr. O'Donohue, the former American ambassador to Thailand, met with Mr. Narong at a hotel in Bangkok in order to explain why he had been denied a visa. Mr. Narong knew about this. He did not learn of this just recently. After he was informed of this, he did not say anything or raise a hue and cry at that time. Since then, I don't know if Mr. Narong cleared his name with the United States or not.

In saying this, I am not siding with the United States. I am simply stating what happened around the middle of last year.

[NAEO NA] Some people think that the United States is interfering in Thailand's internal political affairs.

[Prasong] Actually, newspapers here published stories about the fact that Mr. Narong had been denied a visa. But since that happened around the middle of last year, nothing has been said in the press, and Mr. Narong hasn't said anything. I know that American embassy officials told some of the senior military officers who seized power about this just after that happened. They did not find out about this just recently. But at that time, no one raised a hue and cry about this. Thus, I don't think that America's refusal to issue him a visa constitutes interference in our internal political affairs. They took that action at a time when he was not an MP [member of parliament], and no one knew that he would be nominated for the position of prime minister at this time.

[NAEO NA] What should Mr. Narong do?

[Prasong] It would not be right for him to try and clear his name by sending villagers to protest in front of the American embassy in Bangkok or stage protests in front of the consulate in Chiang Mai. That would not explain the data that the United States has. It will not be easy for him to persuade them to remove his name from their list of suspects, because they probably have good reasons for suspecting him. [passage omitted]

[NAEO NA] If the military was aware of this, why did the National Peace-Keeping Council exert pressure to have Mr. Narong appointed prime minister?

[Prasong] I don't know. I don't know why these senior military officers who seized power, who knew that Mr. Narong had been refused a visa around the middle of last year, are now supporting him for the position of prime minister. The proper thing would be to oppose this in order to clear up this matter first. They shouldn't have played host on the evening of 22 March even before they knew the results of the election.

Because of this, people think that they may have been behind this in order to show that an elected prime minister, regardless of who he is, is not as good as a

"neutral person." Such an understanding on the part of the people is not good for politics in a democratic system. [passage omitted]

[NAEO NA] What action do you think the United States will take next?

[Prasong] I don't think that President Bush will respond to the letter faxed to him by Mr. Narong, because the U.S. State Department spokesperson has already said that they refused to issue a visa to Mr. Narong because he is suspected of being involved in narcotics trafficking. He would probably give the same response and say that this is a government secret that he can't reveal. They have rules and regulations on revealing government secrets. They have laws on this just like us. Moreover, this is an intelligence report, and there are special laws on that. Anyone who reveals such secrets can be sent to prison.

If Mr. Narong does become prime minister, I am afraid that the American administration and congress will engage in heated debate when considering what their policy should be toward our new government. There are many congressmen who hate narcotics. These people will probably have many questions. The issue concerning Mr. Narong will probably expand. And if there is a public hearing, the scandal involving our prime minister will be sensational.

Congress took action against General Noriega of Panama. That is, a warrant was issued for his arrest. If they did that in Thailand, it would pose major problems. They issued a warrant for the arrest of Khun Sa even though he is not an American. They took these actions because they think that these people are sending "terrible weapons," that is, narcotics, to destroy their country.

I think it would be better for Mr. Narong to withdraw his name than to allow the situation to grow worse. That would be better for the country, too. He should clear his name first. He still has much time left.

[NAEO NA] Prime Minister Anan Panyachun has said that each side has just construed things differently.

[Prasong] Prime Minister Anan said that our data on Mr. Narong match those of the United States but that each side has interpreted the data differently. To me, this is like a car running a red light and being stopped by the police. Our decision would be to simply punish the driver. But the United States would probably decide not only to punish the driver but also to search the car. If they found illegal substances, they would investigate to find the owner of those substances or learn where they had come from. If they came from a certain house, they would name the owner of the house as a suspect.

In trafficking in narcotics, some people never have to become directly involved in actual smuggling operations. They just provide support. For example, they provide capital and hide-outs or they rely on their prestige to provide protection. It can be said that these people are

involved in narcotics trafficking. They can even be said to be involved in smuggling acetic anhydride, a chemical that is used in refining heroin, to those who have set up heroin refineries along the border in exchange for being allowed to fell trees. [passage omitted]

Editorial Cites Official Defense of Narong

92WD0657B Bangkok BAN MUANG in Thai
29 Mar 92 p 5

[Editorial]

[Excerpts] The fact that the United States has refused to issue a visa to Mr. Narong Wongwan has probably hurt Mr. Narong, the leader of the Justice Unity Party, who has been nominated for the position of prime minister in his capacity as the leader of the party that won the largest number of votes in the election held on 22 March. [passage omitted]

To be fair, every country has the right to refuse to issue a visa to someone if they feel that that person poses a threat to the country. There are many examples that could be cited. But in the case of Mr. Narong, he has been accused of being involved in narcotics trafficking. A former Ruam Thai Party MP [member of parliament] was arrested abroad and so accusations have been made against the party leader, too.

Actually, Thai officials, that is, ONCB [Office of the Narcotics Control Board] officials, have clearly said that Mr. Narong is not involved in narcotics trafficking. And they have informed the United States of that. But if the United States refuses to listen, there is little that anyone can do, because the United States is a superpower to which every country must bow down whether out of fear or necessity. [passage omitted]

Editorial Demands U.S. Present Evidence

92WD0657C Bangkok BAN MUANG in Thai
30 Mar 92 p 5

[Editorial]

[Excerpts] The United States has announced that it refused to issue a visa to Mr. Narong Wongwan, the man who has the most support for the position of prime minister, claiming that he was involved in narcotics trafficking. They have made this charge even though there is no firm evidence. This has done much damage to Mr. Narong personally and to Thailand and the Thai people. [passage omitted]

We would like to thank the U.S. Government in advance if it provides clear evidence to support this very serious charge, because that would benefit the governing of the country in the future. But if the United States continues to equivocate and fails to present clear evidence that would enable officials to take legal action against the offender, the Thai people will be very disappointed in this ally for whom we have always had great respect. [passage omitted]

Narong Family Business, Daughter's Comments

92WD0657D Bangkok NAE0 NA in Thai 30 Mar 92
p 5

[Excerpts] [passage omitted] Narong Wongwan has been criticized for being involved in narcotics trafficking to such an extent that the United States has refused to issue him a visa. This is happening at a time when this man is preparing to become the prime minister in a five-party coalition government in his capacity as the leader of the majority party.

These rumors have shaken the position of Acting Prime Minister Narong. People in the Narong Wongwan family have said that this is very disturbing to all members of the Wongwan family.

Atsaniphon Wongwan, the daughter of Narong and Sangwan Wongwan, met with us last Sunday evening in a calmer mood to talk with us about her family and tell us how she felt about the stories that have affected all members of the Wongwan family.

Atsaniphon is the seventh child of Narong and Sangwan. Her six older brothers and sisters include Anuson, who earned a degree in industrial engineering from the United States and who is now an MP [member of parliament] from Lamphun; Anuwat, who earned a degree in agricultural engineering from the United States, who now oversees business operations in Chiang Rai, and who is involved in the export of garlic powder and in the operation of a large hotel along the Kok River; Narit, who earned a degree in business administration from the United States and who oversees business operations in Chiang Rai; Atsawin, who earned a degree in agriculture from the United States and who now operates a cattle ranch; Naowarat, who earned a degree in law from Thammasat University and who now oversees a tobacco curing plant in Chiang Mai; and Nilubon, who completed secretarial studies in England. Nathinon, the youngest in the family, earned a degree in computer science and is now working in the United States.

Everyone in the Wongwan family is involved in family business activities. She said that with the exception of her father and Anuson, no one in the family is interested in politics, and no one knows where this rumor started, that is, the rumor that her father is involved in narcotics trafficking.

"This news has shocked us. But our family life hasn't changed. Relatives and friends, including friends of my parents, have come to give us moral support to help see us through this. Everyone understands. No one thought that people would 'play this rough,'" said Atsaniphon to us. [passage omitted]

The troubles mentioned by Atsaniphon refer to the past and present business activities of the Wongwan family. These include timber operations, tobacco curing plants, and cattle ranches. Almost all of these activities have

business links to the United States, which has accused Narong Wongwan of being involved in narcotics trafficking.

My father has not traveled abroad recently, because he has not been very well since he broke his leg. He has not had a chance to visit even a neighboring country. But all of my brothers have made trips, because we are involved in buying cattle. After buying cattle at auction, we sell them from the ranch in Chiang Mai. We have visited the United States frequently, and there have never been any problems. We have been free to come and go. They have welcomed us warmly, because we buy cattle from them. My brother used to study in Texas and so he knows many cattle ranchers there," said Atsaniphon calmly, concealing the pain.

She criticized the United States, which she feels is trying to destroy the Wongwan family, saying: "We are upset by what has happened, because each year we buy several million dollars worth of cattle from them. And now they have charged that we conceal heroin in the bodies of the cattle."

Ranching is one of the three main business activities of the Wongwan family. Atsaniphon said that the first business activity engaged in by the Wongwan family was the timber business. After that, the head of the family became involved in the tobacco business. They were the first family in Thailand to export tobacco, and they are now the largest exporter. They have been doing this for several generations and have never had any problems.

"Our companies are family-run companies. Our father raised us to help with the business activities and taught us about the work. He assigned tasks to all of us. We started working at the tobacco plants when we were very young," she said. She also said that the success of these businesses is due to the talent and prestige of her father, saying that he is the "heart" of the Wongwan family.

Concerning the success of the family businesses, Atsaniphon said that "we provide capital to the farmers. When they harvest their produce, they sell it to us. We pay a fair price for their crops. This is different from other companies that have gone bankrupt. We earn about 800 million baht a year. That is gross receipts from exports." [passage omitted]

Because of the "storm" that has hit her father, Atsaniphon feels that the time has come for her father to review things. "He has been involved in politics since 1979. But today, in view of what has happened, we would like him to get out of politics. He has said that he is depressed. He has always acted honestly and has never been accused of anything like this. But as soon as he was nominated for the position of prime minister, the charges started to fly. What would others think if their father had been accused of something like this?" she said with a sad face. She said that people are unjustly slandering her father. It is common for people to slander others.

As for their business activities, Atsaniphon admitted that these rumors about her father could affect their business operations. But every member of the Wongwan family is providing moral support. No one will do anything to add to his problems. [passage omitted]

As for the position of prime minister, to which her father came so close but which now seems to be receding as a possibility, the seventh daughter of the acting prime minister said that he isn't interested in that. All that concerns him is that the country not be slandered.

"What has happened is very sad. My father is now very well known. But it's as if he is well known as someone with AIDS," said Atsaniphon, showing concern for her father, Narong Wongwan. [passage omitted]

Further Report on Narong Family Business

92WD0657E Bangkok MATICHON in Thai 26 Mar 92
p 22

[Article by Duangta Wannasin]

[Excerpt] [passage omitted] Mr. Narong Wongwan completed secondary school from the Phiriyalai School in Phrae Province. He then went to Bangkok to attend the Assumption Phanit School. After that, he went abroad to study.

"Actually, I am not a politician. I do not come from a family of politicians. But out of a sense of duty to the country as a whole, I have jumped into the political arena."

Page 124 of the book "Merchants and the Development of Capitalism in the North, 1921-1980" (Institute of Social Research, Chulalongkorn University, 1987) by Plai-oh Chananon contains several interesting pieces of information about the Wongwan family. The Wongwan family first began earning huge amounts of money through timber operations. After becoming financially secure, the family began investing capital in the tobacco business.

Since 1957, it has built tobacco curing plants throughout the north, that is, in Phrae, Chiang Rai, Chiang Mai, and Lamphun Provinces. Second-generation family members, that is, Mr. Narong Wongwan and Mr. Sangwan Wongwan, took over the business activities from Mr. Saen Wongwan, their father.

The Thepphawong Company Ltd., which is owned by this family, has become the largest exporter of Virginia tobacco in Thailand. During the period 1975-1980, exports by this company accounted for 40-49 percent of the country's total tobacco exports.

A trade partner of the Thepphawong Company is a multinational company called the Transcontinental Leaf Tobacco Company. This was the first company to buy tobacco from Thailand when Thailand first began exporting tobacco. This company and the Thepphawong

Company both put up capital to build a large tobacco redry plant known as the Siam Tobacco Exporter Corporation.

"Business has been very difficult. We have been strained to the maximum. If we had not worked so hard, we would not have made a profit. We have had to work very hard. Everyone in the family has had to work hard. Ours is a small family and so to succeed we have had to work very hard."

Later on, he began to think about politics. Police General Prasert Ruchirawong once asked Mr. Narong Wongwan to run for parliament in the election of February 1969. But because he was not ready, Mr. Phot Phathong, a relative on his mother's side, ran instead and was elected MP [member of parliament] from Phrae Province. During the election of 1979, Mr. Narong Wongwan decided to run for election in the name of the Thai Ruam Party at the urging of Police Major General Sanga Kittikhachon.

"Unless you are ready, you won't succeed. That is what I think."

There are two reasons why he decided to run for election in 1979:

"First, sometimes politics interfered with us and so I thought, Hey, maybe I should become involved in politics in view of the fact that politics is "playing" with me.

Second, I had been involved only in business and had earned enough money to have a comfortable life. I asked myself what I had done to benefit the country. The only thing that I had to do by law was pay my taxes. There were things that I wanted to do."

He was elected when he was 53 years old, winning 89,822 votes, the largest number of votes won by any candidate. [passage omitted]

ECONOMIC

Central Bank Report on Labor Trends, Weaknesses

92SE0238A Bangkok SIAM RAT in Thai 19 Apr 92 p 9

[Report by the General Economic Situation Unit, Department of Economic Research, Bank of Thailand]

[Excerpts] [passage omitted] 1. The structure of the labor market in Thailand:

1.1. The supply and demand structure, or labor force:

1.1.1. Quantitative analysis: [passage omitted]

The population growth rate has been declining constantly, and this has affected the age structure and resulted in the following changes in the labor force:

(1) The expansion of the labor force has begun to decline. During the period of the Sixth Development Plan, the

growth rate was 3.1 percent per year as compared with 4.0 and 3.4 percent during the periods of the fourth and fifth development plans respectively.

(2) The labor force as a percentage of the total population increased from 45.6 percent in 1977 to 55.3 percent in 1990.

1.1.2. Qualitative analysis:

The above analysis is a quantitative view only. Another important factor that must be considered is the quality of the labor force. Here, this refers only to educated and skilled laborers. It does not include health. This will be discussed mainly from the standpoint of educational levels.

Even though the percentage of people with middle-level and higher educations has increased, today, the percentage of those who continue their studies beyond the compulsory level, that is, primary school, is still rather low. That is, the percentage has increased from 40 percent in 1986 to only 45 percent. The main reason why people do not continue their studies is the problem of poverty in the rural areas. Children who complete primary school have to go to work to help their families financially. Moreover, their parents can't support them. As a result, only 30 percent of the population of lower secondary school age (12-14 years old) is attending secondary school. That is a very low percentage as compared with Malaysia, where the percentage is 53 percent, and the newly industrialized countries (NICs), where the percentages for South Korea, Taiwan, Singapore, and Hong Kong are 94, 91, 71, and 69 percent respectively.

1.2. The supply and demand structure, or employed people:

1.2.1. Employed people by production sector:

During the period 1987-1990, Thailand's economy grew at a rate of 11.2 percent a year. This stemmed mostly from the expansion of the non-agricultural production sectors, which grew at a rate of 12.9 percent a year. At the same time, the agricultural sector grew at a rate of only 3.2 percent a year. As a result, employment in the non-agricultural sectors increased greatly, and there was a movement of laborers from the agricultural sector to the non-agricultural sectors. During this period, employment in the building sector increased the most, increasing at a rate of 8.3 percent a year. This was followed by industry and commerce, which grew at a rate of 7.4 and 6.7 percent a year respectively. At the same time, employment in the agricultural sector increased by only 1.8 percent a year. As a result, the percentage of people employed in the agricultural sector as compared with the total number of employed people declined from 63.7 percent in 1986 to 59.2 percent in 1990.

Of the people employed outside the agricultural sector in 1990, the production sector with the largest number of laborers was commerce, which employed 29.2 percent of

all workers outside the agricultural sector. This was followed by the service, industrial, and building sectors, with the percentages being 28.9, 26.2, and 7.7 percent respectively.

1.2.2. Employed people by work situation:

A labor survey conducted in 1989 by the National Statistical Office revealed the following interesting points about the work situation of working people:

(1) Of the 29.25 million people who work, the largest group is composed of those who assist family activities. This group accounted for 39 percent of all workers. This was followed by self-employed people, private-sector employees, and public-sector employees, with the percentages being 30, 24, and 6 percent respectively. Employers were the smallest group, accounting for only 1 percent.

(2) Most employed people, 84 percent, live in rural areas (outside municipal zones). Those who work in cities (within municipal zones) account for only 16 percent.

(3) Of the 4.77 million working people who live in cities, the largest group is private-sector employees. This group accounts for 2.26 million people. This is followed by self-employed people, public-sector employees, people who assist family activities, and employers, with the figures being 920,000, 820,000, 570,000, and 200,000 people respectively.

(4) Almost all of those who assist family activities and who are self-employed, who together account for 69 percent of all workers, work in the rural areas. It can be assumed that most of these people work in the agricultural sector and have a low level of education.

1.2.3. Thai laborers abroad: [passage omitted]

Since 1987, employment opportunities in the Middle East have declined. This is because construction on various projects has been completed. Also, in 1990, Saudia Arabia stopped issuing visas to Thai workers in the wake of the assassination of Saudi diplomats stationed in Thailand. And then the Gulf War broke out. Because of these things, the number of laborers working in the Middle East declined from 78,158 in 1987 to 74,412 in 1989 and 16,782 in 1990.

(2) Outside the Middle East, the most popular destination for Thai workers is Libya. This is followed by Singapore, Brunei, Hong Kong, and Japan. Thai workers began traveling to these countries after 1979. The number going to these countries has increased constantly, from 1,911 in 1979 to 43,255 in 1989. However, the number declined to 37,201 in 1990. This is because the demand for laborers in Libya began to decline, and Singapore implemented stricter measures regarding foreign laborers.

Not only has the migration of Thai workers abroad helped relieve the unemployment problem here, but this has also been an important source of foreign currency for

the country. Since 1984, Thai laborers working abroad have remitted more than 20 billion baht a year through the banking system. [passage omitted]

2. Important labor problems today:

2.1. The shortage of scientific and technical personnel:

During the past four years, the industrial sector has expanded very rapidly, at a rate of almost 15 percent a year. Exports have been an important factor. Whether or not industry continues to expand at such a high rate depends on the competitiveness of our industrial products on world markets. Thus, the industrial sector must develop production by using the new scientific and technical advances as a base in production. Because of this, the need for scientific and technical laborers will increase, too. But only 31 percent of our graduates every year earn degrees in such fields. This is a very low percentage when compared with the NICs, where the percentage ranges from 53 to 58 percent. This is because average yearly expenditures per person are rather high, and there is a great shortage of instructors. Thus, we cannot satisfy or keep pace with the demand of the labor market. Because of this, there is a severe shortage of such personnel, particularly engineers and technicians.

2.2. The labor problem in the agricultural sector and seasonal unemployment:

In the past, the Thai economy relied mainly on the agricultural sector in terms of both production and foreign currency earnings. In 1969, the agricultural sector produced 31.3 percent of the country's domestic products and 71.5 percent of its exports, and 75 percent of all people with jobs worked in this sector. But by 1990, the importance of the agricultural sector had declined greatly in terms of both production, with the percentage declining to only 12.7 percent of domestic production, and exports, with agricultural products accounting for only 22.5 percent of the value of total exports. But the agricultural sector is still an important labor market, because 59.2 percent of all laborers in the country still work in this sector. But in other countries whose level of development is similar to that of Thailand, such as Indonesia, the Philippines, Malaysia, and South Korea, the percentage of laborers in the agricultural sector is only 55, 48, 31, and 22 percent respectively.

Because the production of agricultural goods is mostly seasonal in nature, that is, production is not carried on year round, some of these workers experience unemployment problems at certain times of the year. Thus, full use is not being made of the labor in the agricultural sector. As a result, they have low incomes. There is a huge gap between the per capita income in the agricultural sector and that in non-agricultural sectors. This gap increased from approximately three times in 1976 to about nine times in 1990. Because of this, many workers in the agricultural sector have to supplement their incomes by working in non-agricultural sectors during the off-season. Thus, seasonal unemployment is one of the country's important problems. This will continue to be a

problem until the surplus laborers in the agricultural sector are moved into the industrial and service sectors.

2.3. The brain drain from the bureaucracy: [passage omitted]

The bureaucracy is losing people to the private sector. This is because the wages paid to people in the public sector are much lower than those paid to people in the private sector, particularly at the intellectual level. This is affecting the efficiency of the bureaucracy.

A study conducted by the Office of the Civil Service Commission found that during the period 1985-1989, the bureaucracy lost 2,554 intellectual-level employees, or 40 percent of the people leaving the public sector, in branches suffering a shortage of people. These are people who have degrees in medicine, dentistry, engineering, science, technology, and so on. Most of these people are between the ages of 26 and 34 and have an M.A. degree. Besides this, this brain drain is accelerating, because the demand for such workers in the private sector is increasing greatly and there is still a large gap between salaries in the public and private sectors. Moreover, a career in the public sector is no longer as attractive as it once was, because the administrative system is cumbersome. Civil servants, particularly younger people, have little opportunity to show their knowledge and skills. The personnel administrative structure lacks flexibility, with the result that career advancement is very slow.

2.4. Other problems:

In addition to the problems discussed above, there are other important problems on the labor front. For example, there is the problem of implementing the labor law. Today, many employers are finding ways to get around this law. There is the environmental problem and the problem of safety in the work place, particularly in the industrial sector. There is the labor relations problem. Strikes and work stoppages are still a problem. And there are problems concerning the use of female and child labor.

3. Labor trends in the next decade:

Labor trends in the coming decade depend on two main factors:

3.1. The population factor:

Based on a study conducted by the Office of the National Economic and Social Development Board (NESDB), it is estimated that the population growth rate will continue to decline during the next decade, declining from 1.6 percent in 1990 to 1.2 percent in the year 2000. The population will increase from 56.1 million to 64.1 million during this period. This will lead to the following important changes:

(1) The age structure of the population will change. That is, in the next 10 years, the percentage of children in the population (people below the age of 15) will decline from 32.7 percent to 26.7 percent. At the same time, the

percentage of people of working age (ages 15 to 59) will increase from 61.1 percent to 65.5 percent. And because of improvements in public health services, the percentage of senior citizens (people over 60 years old) will increase from 6.2 percent to 7.8 percent.

(2) The dependency ratio, which refers to the number of people who are not of working age (people below the age of 15 and people over the age of 60), will decline from 64 people in 1990 to only 53 people in the year 2000 per 100 people of working age (people between the ages of 15 and 59). This indicates that families in Thai society are becoming smaller in size. The burden of raising children will become easier, and more and more women will have an opportunity to enter the labor force. Also, the savings rate of families may increase.

(3) Even though the percentage of people of work age will increase, the growth rate of the labor force will continue to decline. This stems from the success achieved in the past in lowering the population growth rate. In the future, employment in the various production sectors must be in line with the labor force. Otherwise, there could be server labor shortages. Thus, the production sectors will have to make adjustments and make greater use of technology, and they will need high-quality laborers.

3.2. The economic factor:

A joint study conducted by the NESDB and the Thai Development Research Institute (TDRI) on the labor situation during the period of the Seventh Development Plan (1992-1996), which was based on the assumption that Thailand's economic growth rate will remain high (approximately 7-8 percent) and that the production structure will shift more toward the industrial and service sectors, concluded that:

(1) The demand for entry-level manpower with a secondary school education will increase while the demand for manpower with only a primary school education will decrease greatly. This is because industrial development requires the use of modern technology. Industry will need entry-level workers who can learn quickly, understand the problems, and adjust themselves as appropriate. Few workers with only a primary education can satisfy these demands.

(2) There will continue to be a shortage of manpower in the fields of science and technology, particularly the mechanical and metallurgy groups (mechanical, metallurgical, and mining engineers) and the industrial technology groups (chemical, industrial, and agricultural engineers). There will also be a shortage of instructors in the fields of science and technology, because these people will be drawn away from the universities into the private sector.

(3) The shift of labor from the agricultural sector to the industrial sector will increase. Because of this, labor capabilities will be used more fully, and labor productivity and wages will increase. Unemployment will

decline, particularly among workers who have middle- and higher-level educations. Also, seasonal unemployment will decline in line with the decline in the number of laborers in the agricultural sector.

Besides this, because of the fact that Thailand has had a high economic growth rate for several consecutive years while several neighboring countries are considered to rank among the poorest countries in the world, if Thailand's economy continues to grow, there will be a migration of laborers from these neighboring countries to Thailand. This will be difficult to prevent, because we share long borders with these countries. Most of the laborers from those countries will do jobs that Thais no longer want to do, such as jobs that lack prestige, jobs that are dangerous, jobs that pay very little, and jobs that violate moral principles. Many of the developed countries, including the NICs, have already encountered this problem. Thus, measures should be implemented to deal with this problem in the future.

4. The human resource policy during the period of the Seventh Development Plan (1992-1996):

In view of the fact that Thailand's production structure in the coming period will undergo changes, with the shift being toward a newly industrialized economy, in terms of both production and the use of technology, we will need more high-quality laborers. Thus, with respect to developing our human resources, the Seventh Development Plan stresses providing more educational opportunities and improving labor quality. This can be summarized as follows:

(1) Steps should be taken to reduce the population growth rate from 1.5 percent in 1991 to 1.2 percent by 1996.

(2) Steps should be taken to expand educational opportunities so that the percentage who continue their studies at the secondary level increases from 45 percent at present to 73 percent by 1996. In particular, action must be taken in zones where the continuation rate is very low. This must be done by increasing the ability of the schools to accept students at the secondary level, encouraging [students] to continue on in school, and improving the curriculum in accord with the situation in each locality, which should be done in preparation for increasing compulsory education from six years to nine years.

(3) The education and training system must be made more flexible so that it can adjust more easily to the labor market. There must be broader cooperation between the public and private sectors in managing education and training, and the private sectors must be given support in investing in managing education, particularly in those fields that lack manpower.

(4) Steps must be taken to support the use of science and technology to increase the productivity of Thai laborers by improving the quality of Thai laborers so that they can be trained and master the use of technology

imported from abroad. There must be incentives that will encourage the private sector to invest in research and development.

(5) The bureaucracy must be improved so that it has a greater number of intellectual-level personnel. This must be done by training the civil servants. While trimming the size of the bureaucracy, it must also be made more efficient. Steps must be taken to facilitate career advancement, and salaries must be raised to the level of those in the private sector. Special bonuses should be paid to those intellectual-level personnel who are thinking of leaving in order to prevent a brain drain and encourage more such people to work in the public sector.

5. Conclusions and observations:

Even though Thailand has achieved results in reducing its population growth rate, we still can't educate all the people fully. The majority of Thai laborers are under-educated and, therefore, they lack work skills. There are a rather large number of such people as compared with the demand in the non-agricultural sectors. Because of this, the agricultural sector, which is labor intensive, has to provide jobs for almost all of these surplus laborers. This in turn means that labor is not utilized fully, and many people experience seasonal unemployment. Finally, this affects income distribution, which is growing worse. Thailand has long relied on agricultural exports as a principal source of revenues. Now, industry is being developed. The strategy is to use low-paid laborers from the agricultural sector to gain a competitive edge for Thai goods on world markets and to attract foreign investors.

Because the population growth rate has been declining for 20 years, the growth of the labor force has begun to decline at a time when the economy is expanding at a rather high rate. Because of this, it is predicted that there will be a shortage of labor in terms of both quantity and quality. Also, wages are rising at a time when competitor countries have large numbers of laborers and low wage rates. This will give them greater investment potential, and labor-intensive production bases will be moved from various countries to these countries. If Thailand is to maintain its ability to compete with other countries, maintain economic growth in the future, and make income distribution more fair, development must be carried on simultaneously on two important fronts:

(1) The industrial development strategy must be changed. There must be a shift from production that uses large numbers of low-paid workers by making greater use of capital and technology in order to reduce production costs, produce high-quality goods, and maintain our ability to compete against other countries. But the technology used must be suited to the size and quality of our labor force. Besides this, dispersing industry to the countryside should be stressed in order to employ

laborers from the agricultural sector and help bring growth and prosperity to the countryside.

(2) The education and training system must be made more efficient, flexible, and proficient so that it can produce sufficient personnel in accord with demand. The emphasis must be on expanding educational opportunities so that the people have at least a secondary-school education. More workers must be produced for the sectors that now lack manpower, particularly the science and technology sectors. Labor skills must be improved in order to improve work capabilities. A long-term education plan must be formulated in accord with the future needs of the labor market.

Developing the education and training system will not only produce people to support national development but will also make it easier for laborers in the agricultural sector to move to the industrial and service sectors. This will hasten the country's industrial development, and it will benefit the agricultural sector in the following ways:

The agricultural sector will become more proficient in adjusting production in line with economic development and natural environmental conditions. The production of traditional products such as rice, corn, cassava, and rubber will decline, and the production of high-value goods such as fruit, vegetable, aquatic products, meat, and milk products will be expanded instead. Also, more use will be made of machinery and labor-saving devices.

Per capita incomes in the agricultural sector will increase.

The number of seasonally unemployed people will decline. This will reduce losses stemming from lack of work during certain times of the year.

However, some older agricultural laborers who have little education, who have little potential for learning in order to meet the needs of the labor market outside the agricultural sector, and who are poor will probably have to stay in the agricultural sector. Thus, officials should find ways to revive the economy in the countryside and promote the production and marketing of agricultural goods in order to support and raise the standard of living of these people.

Note: In this study, the term "laborer" refers to people in the labor force. This includes both employed and unemployed people. The term "employed people" refers to all people who have jobs regardless of whether they are employers, employees (in both the public and private sectors), self-employed people, and people who assist family activities.

There are some people who are not ready to work because (1) they are busy with household work, (2) they are still in school, (3) they are too young or too old, (4) they have a physical or mental handicap or they suffer from a chronic illness, (5) they don't want to work, or (6) there is some other reason. These people are not included in the labor force, and even though they are not working, they are not included among the unemployed.

POLITICAL

National Assembly Passes 1992 Constitution

922E0142A Ho Chi Minh City TUOI TRE
in Vietnamese 16 Apr 92 pp 1, 2

[Article by Minh Duc: "The Last Session of the Eighth National Assembly Closes: The 1992 Constitution Passed With 100 percent of Deputies Voting for It"]

[Text] On the afternoon of 15 April, at the Ba Dinh Conference Hall, National Assembly Chairman Le Quang Dao delivered a speech closing the last session of the Eighth National Assembly. The National Assembly had devoted most of its time to discussing and passing the revised Constitution and two laws—the Laws on National Assembly Organization and Election—hearing Council of Ministers representatives answer deputies' inquiries about cash shortages, electricity rate increases, 500-kilovolt power line construction, 1992 state budget allocations, and results of the probe into the sales of housing units at official prices in Ho Chi Minh City.

Concerning the 1992 Constitution: After passing all the articles and chapters one by one in accordance with the majority-vote principle, and after revising Articles 5, 18, and 145 for the last time, the National Assembly heard Comrade Vu Mao read the full text of the 1992 Constitution composed of 147 articles and 12 chapters. A total of 437 deputies (or 100 percent of the deputies present) then voted for the revised Constitution as a whole.

On 13 April, Council of Ministers representatives took turns at answering deputies' questions about why the state bank had allowed serious cash shortages to happen, why the electricity rates were too high, and how state budget appropriations were made for various domains of activities in 1992.

1.118 Trillion Dong "Frozen"

State Bank Governor Cao Sy Kiem expounded the reasons why serious cash shortages had occurred during the peak period of crop harvests in the Mekong River delta. The State Bank had been unable to control the amount of money in circulation. In addition to the subjective causes—such as the bank's failure to manage foreign currency and to adapt its operational system to the market mechanism, and the serious weakness of its contingent of professional cadres and personnel—Comrade Cao Sy Kiem revealed: At present, the economic structure has begun to change. In the past, in the retail sector, the cooperative unions only retained 7-8 percent of their cash receipts. Nowadays, the production and business branches of the nongovernment economic sectors account for 60-70 percent of the total returns, but the State Bank is unable to manage the amount of cash available and can collect only 25-30 percent of it. In addition, chronically overdue debts also have hampered capital circulation. The State Bank has succeeded in collecting 25-35 percent of the delinquent debts after they were settled, but 1.118 billion dong remain

"frozen." It is this cash shortage that has spawned many negative practices. Recently, after inspecting eight economic units, the authorities found a discrepancy of more than 211 million dong between cash exchanges and check transactions totaling 56.4 billion dong.

If the Electricity Rates Were Not Increased, the State Budget Would Have To Lay Out 1.62 Trillion Dong

The increase of electricity rates to 450 dong per kilowatt/hour from 230 dong was questioned by the majority of deputies from the northern half of the country. What was the basis for this readjustment? They maintained that the power rate hike would cause difficulty in production and make electricity hardly affordable to cadres, workers, and civil servants because of their utterly low salaries. Phan Van Tiem, chairman of the State Price Commission, explained: The increase in power rates that took effect on 1 March 1992 was necessitated by the full account of power production cost, which includes capital depreciation; productions expenditures; salaries paid to cadres, workers, and civil servants of the power sector; power transmission.... If all the expenses had been accurately and fully calculated, the production cost of electricity would have amounted to almost 500 dong per kilowatt/hour.... However, since the power sector began to practice profit-and-loss accounting only recently, various types of income taxes still cannot be included in the production cost. For this reason, after meticulous calculations, the Council of Ministers decided to approve the rate of 450 dong per kilowatt/hour for the whole country. Some wondered why different power rates are not applied in the North and the South when the North mainly uses hydroelectric power and the South consumes a higher percentage of thermoelectric power? Comrade Phan Van Tiem maintained that, at present, the two parts of the country still apply different rates for power consumed in excess of official quotas, with the southern rate surpassing the northern rate by 25-100 percent.

The power rate hike was aimed not at increasing the state budget but at cutting expenses. If the old rates were maintained, each year the state budget would have to lay out 1.62 trillion dong in compensation, a huge sum for our country's still small budget. Moreover, the power rates have not increased substantially compared to the prices of other products. If calculated from 1991, the price of rice has gone up 115 percent, or 2.15 times of the power rate increase, while the prices of other commodities have also increased 2-2.5 times as much. The power rates were increased to be on the same level with the prices of other commodities throughout the country. Many production units contended that higher power rates will affect commodity prices and consumption. In our opinion, this is high time for other production units to fully calculate the cost of input as the power sector does. This invisible form of state subsidies should also be done away with. However, concerning cadres who have retired, workers, and civil servants, the Ministry of Labor, War Invalids, and Social Welfare, has already applied a wage-compensation policy for their benefit.

But it is necessary to make it clear that this compensation is paid for the power used for lighting only, not for other purposes.

A Small Piece of Cake for Big Meals

In his report to the National Assembly on the 1992 budget appropriations, Finance Minister Hoang Qui said: The 1992 budget will increase by 1.65 trillion dong, and this will call for a tremendous effort on the part of the tax service. Defense spending is expected to account for about 12.1 percent of the budget. Because our budget is too small, this appropriation is still unsatisfactory compared to the demand of national defense development. The appropriation for education and training represents 16.2 percent of the budget. The education and training service proposed an allocation of 280 billion dong for the separation of level-I schools from level-II schools, but only 50 billion dong were approved. At present, salary payments in this service remain a monumental problem since there are more than 640,000 level-I and level-II school teachers and 70,000 college and vocational middle school cadres, workers, and civil servants, plus scholarships for 360,000 pupils and students. The bulk of the education budget—excluding the 246 billion dong to be collected as tuition—will be used to pay salaries....

The salary question was dealt with a report by the Ministry of Labor, War Invalids, and Social Welfare. To date, there is still a lack of agreement on this issue between the administrative and nonproductive organs on one side and the production and business establishments on the other side. The Finance Ministry is still unable to make the necessary calculations and to exert the necessary control for levying income tax. According to Comrade Hoang Qui, our country's budget appropriations for defense and education are substantial, but still fall short of demand.

New Features in National Assembly Election

922E0152A Ho Chi Minh City TUOI TRE
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[Interview with Le Hieu Dang, vice chairman of the Vietnam Fatherland Front Committee of Ho Chi Minh City, by TUOI TRE Correspondent Huy Duc; place and date not given]

[Text] The Vietnam Fatherland Front [VFF] is the organ entrusted by the 1992 Constitution and Law on Election of National Assembly Deputies with the important task of *holding consultations and selecting and recommending candidates for National Assembly elections*. At present, the VFF Committee of Ho Chi Minh City is urgently making preparations for organizing the election of deputies to the Ninth National Assembly. A TUOI TRE correspondent has exchanged views with Le Hieu Dang, standing vice chairman of the VFF Committee of Ho Chi Minh City, on the new features in the organization and formalities of this election.

[Huy Duc] *Sir, the 1992 Law on Election of National Assembly Deputies determines people's right to "put themselves up" for National Assembly deputies. How should this right be understood?*

[Le] Article 2 of the Law on Election of National Assembly deputies stipulates that citizens who are 18 years of age or older have the right to vote and those who are 21 or older have the right to run for election as determined by the law, except those who are insane and those who have been deprived of these rights by the law or a people's court. Thus, all citizens who are 21 years old, if they meet all these conditions, have the right to file for election with an electoral committee 60 days before election day at the latest.

The 1980 Law on Election of National Assembly deputies only stipulated that citizens *may be elected* but did not determine their right to offer themselves as candidates for election. In the past, running for election as National Assembly deputies was a process carried out chiefly through the selection and recommendation by various organizations and mass groups. At present, running for election is a decision citizens can make for themselves.

[Huy Duc] *But, in all the steps that the VFF Committee has taken in preparing for the election, it has clearly indicated the numbers of candidates allocated to various units and mass organizations. So, how can citizens "put themselves up" when they are not included in the "numbers of candidates allocated" and not recommended by these units and mass organizations?*

[Le] The allocation of candidates to various units and mass organizations for their recommendation does not affect the right of individuals to offer their own candidacy. Citizens who wish to join the National Assembly but are not nominated by popular groups, social organizations, or state organs still can register and file for election themselves with the electoral committees in the localities where they run. All the name lists of persons recommended by various units and mass organizations and of those who put themselves up will be forwarded to the city's VFF Committee.

To ensure openness and democracy in this election, both the nominees and self-nominated persons will be invited to attend voter conferences in the localities where they live or work. Voters' views will be sought before consultations are held to choose an official list of candidates for election as National Assembly deputies.

It should be added here that, prior to holding consultations to select qualified candidates, the VFF will also consult the organizations, mass groups, agencies, and circles in which these self-nominated persons live and work.

[Huy Duc] *Thus, the role of social organizations, popular groups, and particularly, the VFF, will be very important in the selection of candidates before they are put up for*

election. To ensure accurate and democratic selections, on what criteria the consultations will be based?

[Le] Article 3 of the 1992 Law on Election of National Assembly Deputies has clearly defined these criteria: National Assembly deputies must be persons who are loyal to the socialist fatherland; who carry out renovation to enrich the people and strengthen the country; who are skilled at and capable of fulfilling their duties as deputies and participating in making decisions on important issues of the country; and who have good qualities and virtues and are trusted by the people.

[Huy Duc] *The criterion of knowledge as determined in the law is too general. In the previous legislatures, there were no few deputies with a limited cultural level, which consequently hurt the quality of their activities.... This time around, have specific cultural standards been set?*

[Le] Yes, they have. Experience gained from the recent elections of people's councils and National Assembly deputies has shown that voters usually pick candidates with a definite cultural level.

[Huy Duc] *The 1992 Law on Election of National Assembly Deputies and Constitution stipulate that there must be a number of deputies put exclusively in charge of specific tasks while other deputies must devote at least one-third of their time to performing their duties as deputies. Are these facts taken into consideration in the selection of candidates?*

[Le] This is also a question to be raised when candidates are chosen. However, this time, in accordance with the spirit of the Center's guidance, when successful candidates are needed to assume specialized positions, they will be reassigned to ensure good performance of their specialized duties.

[Huy Duc] *As a VFF notice has announced, Ho Chi Minh City will elect 24 National Assembly deputies, and seven of the candidates will be assigned to the city by the Center. Will the candidates recommended by the Center have to go through the consultation process in Ho Chi Minh City as other candidates are supposed to?*

[Le] They won't. But the VFF of Ho Chi Minh City will work with the Center so that it would recommend candidates who are familiar, known to, and trusted by the people to make it easier for the people to choose. This is the wish not only of the VFF but also of many circles and many mass organizations of the people in Ho Chi Minh City.

[Huy Duc] *To guarantee voters' right to take their pick in election, the name lists of candidates will certainly not be restricted in proportion to the number of deputies to be elected, will they?*

[Le] Compared to the 1980 law, the 1992 Law on Election of National Assembly Deputies has a new feature designed to prevent the limitation of the voters' right to choose. To this end, the new law stipulates that the number of candidates must exceed the number of

deputies to be elected. However, the law also clearly states: To avoid dispersal in election, the VFF will decide on a reasonable number of candidates in comparison with the number of deputies to be elected. In Ho Chi Minh City, this time around there will be eighth electoral units, and each will elect three deputies, but it is guaranteed that at least eight candidates will be figured on the votes of each unit.

Le Quang Dao Interviewed on Constitutional Changes

922E0142B Ho Chi Minh City TUOI TRE
in Vietnamese 18 Apr 92 pp 1, 2

[Interview with SRV National Assembly Chairman Le Quang Dao, by TUOI TRE Correspondent Minh Duc; place and date not given]

[Text] The 1992 Constitution has been passed at the 11th—and last—session of the Eighth National Assembly. Though very busy, National Assembly Chairman Le Quang Dao gladly set aside some time immediately after the session closed for an interview by a TUOI TRE correspondent. The interview began with a look at the important implications of the 1992 Constitution.

[Minh Duc] Mr. Chairman, should we call the 1992 charter the revised Constitution or the new Constitution of the SRV?

[Le] In accordance with its earlier discussions, the National Assembly undertook to revise the 1980 Constitution to suit it to the new situation, not to draw up a new charter. In reality, however, the 1980 Constitution was substantially changed. For this reason, the revised Constitution is called the 1992 Constitution. There were provisions that had to be changed and turned into completely new ones, such as the chapter on the economic system. There were provisions in which important changes were made, such as the ones concerning the organization of the state apparatus. There were fundamental issues that had to be determined, such as democracy, the rights of citizens.... Therefore, the Constitution can be said to have been radically and comprehensively revised.

[Minh Duc] Mr. Chairman, could you elaborate further on these radical and comprehensive changes?

[Le] The most important change in the 1992 Constitution is the clear determination of the economic system: The multisector commodity economy shall be developed in accordance with the market mechanism, under the state management, and along the line of socialist orientation. The multisector economic structure, with diversified forms of production and business organizations, shall be built on the foundation of the system of all-people ownership and collective ownership. Naturally, determining that the objective of the economic policy is to make the people prosperous and the country strong in conformity with a political system in which power

belongs to the people is a long process. But the Constitution does not stop here; it will continue to develop in the process of its implementation. If there is a good economic system and if production develops to make the people prosperous and the country strong, then the political system will remain stable. If the political system is stable and the people's right to mastery is brought into play, then the distribution of income will be more equitable in the economic domain. Generally speaking, economy and politics are inseparable.

The second important issue in the 1992 Constitution is that, along with further developing democracy in our country, we must strengthen the socialist legal system. This is reflected very clearly in the role of the National Assembly. The National Assembly now has a chairman and a Standing Committee instead of a Council of States. The National Assembly upholds the role of its deputies, a number of whom will be put exclusively in charge of specialized duties to enable the National Assembly to further develop its role as an organ of state authority and the highest representative organ of the people. This specialized-duty component of the National Assembly deputies is very important, because it will help gradually advance the National Assembly to a system of regular operation. Our National Assembly still lacks experience in this domain, its financial situation is also difficult. Therefore, it must gain experience in the course of doing its jobs.

This is a new step forward for democracy in our country because all rights of the people as the masters will be exercised through the National Assembly. Along with developing democracy, we will strengthen the executive powers of the government and the people's committees at all levels, consolidate the administrative system from the center down to the grassroots. The prime minister, who has replaced the chairman of the Council of Ministers, still has to resolve important issues through the government, but the Constitution has increased his powers to make it easier for him to manage his work from the central down to the grass-roots level. Although the prime minister is only empowered to ratify the elections of chairmen and vice chairmen of provincial and municipal people's committees, he has the authority to transfer and dismiss these local leaders.

[Minh Duc] With the 1992 Constitution, will the National Assembly be able to satisfactorily perform its constituent and legislative functions; decide on basic domestic and foreign policies, on national socioeconomic, defense, and security tasks, and on the social relations and activities of citizens; and exert supreme supervision over all activities of the state?

[Le] Constituent and legislative duties are the most important ones of the National Assembly because the National Assembly is the sole organ empowered to do this work. The legal system in our country is not yet a full-fledged system. The pace of lawmaking is very slow. A civilized society must have a tightly organized and concrete legal system for each specific domain. Aside

from closely scrutinizing all draft laws, the National Assembly must also take the initiative concerning the drawing up of laws and draft laws. Investment for legislation still lacks focus, and there is a grievous lack of lawmaking cadres. The National Assembly should have a legislative agenda and regard legislation as a scientific undertaking to be put in the charge of really knowledgeable people. These people should be paid and their work presented to the National Assembly only after it has been "tested" and proven to be satisfactory. If necessary, foreign specialists may be invited to help. We sorely lack information about the changes in world laws. The National Assembly library should have been well stocked with all the laws of nations, but, at present, it is just a small book collection. In our country, state management is still being administered according to resolutions and directives, not totally in accordance with the law. This is a practice that must be corrected.

The National Assembly must decide on the country's major socioeconomic tasks. To date, the National Assembly is still unable to perform the task of passing and deciding on the budget, to look deeply into receipts and expenditures. The National Assembly should be able to determine how much tax increase is bearable to the people, and in which areas spending be concentrated to ensure efficiency. As the people pay taxes, they have the right to control expenditures through the voice of their elected deputies. In other countries, the budget is sometimes subject to three to six months of in-depth examination. In the past, our National Assembly did not have the time and personnel for this work; therefore, whether they agreed or disagreed in a budget-related issue, they never had a basis on which to develop their stand. The 1992 Constitution and the Law on National Assembly Organization allow the National Assembly to set up its own committees, including the Economics and Budget Committee, to assist it in examining draft budgets, socioeconomic development plans, state budget estimates and allocations, government reports on implementation of socioeconomic development plans and state budgets, and state budget final statements.

The National Assembly will rely on these committees in carrying out its supervisory functions. In the past, while chairman of the Council of Ministers, Comrade Do Muoi once asked why the National Assembly had not been seen supervising officials from the Council of Ministers chairman down to the ministers. Today, the National Assembly has a Judiciary Committee and other committees to assist its Standing Committee in strictly exercising its supervision, even over the people's courts and people's organs of control.

Each National Assembly committee is put under the exclusive charge of a number of deputies. It is hoped that thanks to the activities of these committees, the National Assembly's performance will be improved.

[Minh Duc] With the passage of the 1992 Constitution, a number of provisions in many laws will become unsuitable. Which laws is the National Assembly going to readjust first?

[Le] The recently adopted 1992 Constitution is the basic law on which the National Assembly can rely to continue examining, readjusting, and supplementing those laws that are no longer appropriate, or to enact new laws to suit the Constitution. In the immediate future, the Ninth National Assembly must pass the laws on organization of the government, people's courts, people's organs of control, people's councils, and people's committees. The National Assembly will also resolve a number of important issues in order to concretize the provisions of the Constitution by legislation. For instance, it must determine how to implement the right to transfer the right to use land, which includes the right to inherit the right to use land, to make it suitable for each region. It must clearly define the principle of working in accordance with the system of individual leadership and collective responsibility; determine the building of local administrations in the conditions of maintaining the people's councils at some levels....

[Minh Duc] Mr. Chairman, may I ask you a last question: What do you think of the activities of the Eighth National Assembly?

[Le] Concerning the general review of the work of the Eighth National Assembly, I already read a report on this subject at the 10th session. As for the 11th session in particular, it has passed the Constitution in an open and democratic atmosphere. Of course, there were conflicting views during the discussions of each provision. Regrettably, we did not have enough time to dig more deeply into the important issues. But I am very happy that the Constitution was approved by 100 percent of the deputies, a fact that has not only increased the value of the Constitution but, more significantly still, has shown the unity of the whole nation in the face of the current difficult and complicated situation.

[Minh Duc] Thank you, Mr. Chairman.

People's Power Represented by National Assembly
922E0142C Ho Chi Minh City TUOI TRE CHU
NHAT in Vietnamese 19 Apr 92 pp 1, 3

[Article by Minh Duc: "For the National Assembly To Really Be the People's Power...."]

[Text] The Law on National Assembly Organization and the Law on Election of National Assembly Deputies have been passed at the current National Assembly session to create a basis for the preparation of the election of deputies to the Ninth National Assembly and for reorganizing the National Assembly in conformity with the new Constitution. The National Assembly has been defined as the highest representative organ of the people and the highest organ of state authority of the SRV. In

accordance with the plan to consolidate the Council of State and its chairman, the National Assembly will set up a Standing Committee to carry out the tasks and exercise the powers entrusted by the Constitution, by laws, and by National Assembly resolutions, and to ensure the organization of activities of the National Assembly, its various committees, and its deputies. In compliance with suggestions made by deputies, the National Assembly Standing Committee will be entrusted with these principal duties and powers: Planning the agenda of each National Assembly session in accordance with the proposals of the president of the country, the government prime minister, the chief justice of the Supreme People's Court, the chief procurator, the various committees of the National Assembly, and National Assembly deputies; guiding, regulating, and coordinating the activities of the organs concerned in preparing the contents of National Assembly sessions; considering the preparation of draft laws, reports, and projects to be presented to the National Assembly; and deciding on other matters relating to National Assembly sessions. Thus, the National Assembly Standing Committee is not just another Council of State.

The National Assembly will set up the following committees: the Judiciary Committee; the Economics and Budget Committee; the Defense and Security Committee; the Culture, Education, Youth, Teenagers, and Children Committee; the Social Affairs Committee; the Science, Technology, and Environment Committee; and the Foreign Relations Committee. Some opinions suggested that the Culture, Education, Youth, Teenagers, and Children Committee be splitted into two committees—the Culture and Education Committee and Youth, Teenagers, and Children Committee—but this proposal was not approved. Many opinions proposed that a Judiciary and Public Aspirations Committee be established to help the National Assembly maintain closer contact with the people and listen to their pressing views. However, many other opinions contended that there was no need for such a committee because the people could make their voice heard through National Assembly deputies and at the state offices for public reception. The National Assembly had to take a vote on this issue, and the result was that only 104 of the 406 deputies present went along with the setting up of a Judiciary and Public Aspirations Committee. To enable the various committees to give effective assistance to the National Assembly, the Law on National Assembly Organization entrusts each of them with three tasks and powers concerning the verification, suggestion, supervision, and allocation of the budget for each domain of activities.

From now on, there will be deputies exclusively assigned to work mainly in the National Assembly and paid by it. Article 37 of the law stipulates: "Some of the National Assembly deputies shall work in accordance with the specialized-duty system and some with the nonspecialized-duty system. The number of deputies working according to the specialized-duty system shall be decided by the National Assembly." Deputies in charge of specialized duties will be provided with working places and

other facilities necessary for their activities. The salaries and allowances of deputies entrusted with specialized duties will be determined by the National Assembly Standing Committee. Regarding deputies having non-specialized duties, many deputies disagreed with the following stipulation: "During the performance of their duties, National Assembly deputies having nonspecialized duties shall receive their salaries and allowances from the agencies and organizations in which they work, if these deputies are state employees. As for those deputies who are not state employees, their allowances shall be paid by the National Assembly budget." Many opinions held that this distinction would cause difficulty to National Assembly deputies because many state-operated units practice profit-and-loss accounting independently and pay their employees according to a piecework system, therefore deputies would not be able to demand to be paid salaries and allowances by these units while they are working in the National Assembly. Voting on this issue, 373 of the 402 deputies present favored the following stipulation: "During the performance of their duties, National Assembly deputies shall be paid their salaries and allowances by the National Assembly budget."

Government members do not have to be National Assembly deputies, but they will be invited to attend the plenary sessions of the National Assembly and to express their views on issues belonging to their areas of responsibility. The National Assembly budget is an independent portion of the state budget. This is the first time that the National Assembly is provided with a separate budget, therefore it will no longer have to depend on the state in carrying out its activities.

The National Assembly will be strong if every one of its deputies is strong. The Draft Law on Election of National Assembly Deputies clearly defined two rights of citizens 21 years of age or older: the right to run for election and the right to campaign for election. According to the stipulations of this law, 60 days before the election day, those citizens wishing to run for election as National Assembly deputies must submit to the Election Committee in the locality where they run an application for candidacy along with a curriculum vitae and a certificate of their right to run for election issued by the people's committees in their villages, subwards, or towns of residence as determined by regulations. Article 38 of the draft law clearly spelled out: "The Vietnam Fatherland Front, various people's groups, social organizations, state agencies, as well as citizens have the right to campaign for the election of persons nominated by them and figured on the list of candidates." Concerning Chapter VI, entitled "Campaigning," there were two views: one advising against devoting a separate chapter to campaigning on the grounds that Article 38 would encourage boisterous publicity-seeking activities detrimental to social order, and the other contending that if the right to run for election was recognized, the right to campaign must also be acknowledged. The National Assembly had to put the issue to the vote, with the result

that 263 of the 415 deputies present approving deletion of the chapter on campaigning and 152 favoring its retention. In regard to the number of National Assembly deputies, the law determines that there shall be no more than 400 of them, and that each province and municipality shall elect at least three deputies. During earlier discussions of this issue, some opinions suggested that the number of deputies be allocated in proportion to the size of population, but this proposal was rejected. There was also the view that not only Hanoi but Ho Chi Minh City must also be allocated an appropriate number of deputies.

The Law on National Assembly Organization and the Law on Election of National Assembly Deputies were passed at the current session in preparation for their application to the Ninth National Assembly, which is scheduled to be elected on 31 July and to take office in September 1992. Following the passage of the Constitution, many other laws, including the Law on Government Organization, will also be considered and readjusted.

Politburo Member on Ho Chi Minh Thought

*BK0806153392 Hanoi NHAN DAN in Vietnamese
16 May 92, pp 1, 4*

[Article by Politburo Member Dao Duy Tung: "To Help Understand Ho Chi Minh Thought"]

[Text] Ho Chi Minh thought is a product of the creative application of Marxism-Leninism to the fruitful realities in Vietnam which encompass many domains where the hallmark of an intellectual genius was left. The study of Ho Chi Minh thought which aims to better and more profoundly understand the stature, prominence, and profoundness of the valuable legacies that our Uncle left behind requires the effort of many researchers. As a contribution to this study, I would like to present my knowledge about part of Ho Chi Minh thought, namely his viewpoints on revolutionary theory.

First, the great and profound idea left behind for our people by our beloved and respected Uncle Ho lies in the fact that all his revolutionary lifetime at home as well as abroad was dedicated to the people, the country, and the cause of national and human liberation. This is condensed in his words: "I have only one ambition, the greatest one, which is how to make our country independent and our people totally free, and to give our compatriots food, clothing, and education." [Footnote 1] [Ho Chi Minh: Selected Work, Su That Publishing House, Hanoi, 1980, Volume 1, page 381] "If the country is independent but the people have neither happiness nor freedom, then independence is meaningless." [Footnote 2] [Ho Chi Minh, Complete Work, Su That Publishing House, Hanoi, 1984, Volume 4, page 35]. This was our Uncle's ambition to benefit the Vietnamese people and the peoples of other nations as well. This was his ideal and struggle objective throughout his lifetime. This ideal and objective took shape not accidentally but under

definite historic conditions and among the familial and national traditions, and the contemporary realities of the country and the world of his lifetime. His ideal took shape completely with adequate scientific basis when he went from patriotism to Marxism-Leninism. The important point was that he succeeded in introducing this ideal among the people and in guiding the people to implement it. It is very important to clarify the contents, objective and ideal selected by him and the scientific basis of this objective and ideal, especially in the present situation.

Second was that through the hard and dangerous process of research, he found the way to achieve this objective and ideal. It was the way of linking national independence closely to socialism which later on our party called the path of upholding the banner of national independence and socialism. With such a thinking, he correctly settled the relations between the nation and the classes, the national and international domains, national independence and socialism, national strength and the strength of the era, and the national duty and international obligations. Here was manifested his ability in the development of Marxist-Leninist theories about the revolution in colonial countries. The idea of upholding the banner of national independence and socialism is a red string running through the history of the Vietnamese revolution since our party took over the leadership and henceforth. To understand more profoundly the idea of upholding the banner of national independence and socialism, we should devote much more time and effort to studying our Uncle's important points of discussion such as the ideas that "nothing is more precious than independence and freedom" and "the sole correct way of national salvation is the path of proletarian revolution"; the relations between the revolution in various colonial countries and the proletarian revolution in capitalist countries in comparison with the picture of two wings of a bird and the picture of "a two-sucker leech," and the relations between the nationalistic revolution and the socialist revolution.

The above mentioned issues reflect his creative theory. For example: He said revolutionary viewpoints on colonial countries are closely related to but independent from the proletarian revolution in "suzerain state" and the revolution in colonies might become victorious before the proletarian revolution in the "suzerain state" succeeded. His idea of "nothing is more precious than independence and freedom holds a very rich scope and a great truth which is very condensed, concise, and easy to understand for our compatriots. It is the product of a long process of scientific thinking. This is not an overall summary of dreams and aspirations nor the greatest and most profound demands but it is also the summary of both successes and failures, the lessons of struggle for mastery over the country in thousands of years of our national history. "Nothing is more precious than independence and freedom" is not only the guideline for the struggle for independence but also a sacred call of the country which mobilized our people to resolutely endure

sacrifices in order to win over and defend their right to live. It is natural that this sacred call occurred in Vietnam because Vietnam has a very glorious tradition of opposing foreign aggression. The significance and stature of the slogan "Nothing is more precious than independence and freedom" has crossed over the space of our country to be considered as a truth in many nations.

In studying to apply the idea of upholding the banner of independence and socialism, our party has paid the most attention to his idea of socialist construction, especially in the current situation of renovation. He did not give superior definitions of socialism. His very easily understood words have emanated his viewpoints on socialist construction in Vietnam which are to build prosperity for the country and a life of freedom, plenty, and happiness for the people, and to make the laboring people masters of their country. To this end, it is imperative to stage the socialist revolution in all domains of production relations and forces, and superstructures. The party must be both the leader and servant of the people. The party must be firm, strong, and clean. The state must be of the people, by the people, and for the people. Socialist men must exist before building socialism. Socialist construction is an undertaking of the people. Our party is applying President Ho Chi Minh's idea of socialist construction to the process of renovating and leading the country in the period of transition to socialism.

Third is the great creativity of Ho Chi Minh's thought and revolutionary method. It was a combined revolutionary method. With this method, our party could stir up all potentials and forces to defeat the enemies. This is the strength of political force and the masses combined with the Armed Force, the strength of traditions combined with the contemporary strength, and the national strength combined with the strength of the era. The method of revolutionary force was creatively applied to the conditions in our country and was clearly manifested in Uncle Ho's directive on the establishment of "Vietnam Propaganda and Liberation Troops", in his policy of partial uprising and establishing revolutionary bases, in the August 1945 general uprising, and in the policy of all-people and general resistance during the resistance struggle against French colonialists. Then, during the anti-U.S. struggle for national salvation, this revolutionary method developed and reached the peak.

The combined revolutionary method holds leading value not only in war but also in socialist construction. When our party advanced the policy of staging three revolutions (we currently call staging the socialist revolution in the domains of production relations, production forces, and superstructures) it was mainly the combined revolutionary method that we have been using under the new conditions. At present, to exploit all the potentials of the people and the country for the development of production, our party has adopted the multisectoral economy policy and advocated the expansion of cooperation, joint business, and alliance.

Fourth, Ho Chi Minh thought is further manifested clearly in his talented military strategic guidance and strategic leadership. During the revolutionary course in our country, many problems concerning military strategic guidance and strategy had to be dealt with: The relationship between the anti-imperialist and antifeudalist duties during the democratic national revolution; the relationship between the socialist revolution in the north and the democratic national revolution in the south; the relations between the fundamental and immediate objectives; the problems of creating and seizing opportunities; the question of capitalizing on contradictions among the enemy ranks and the problem of winning partial victories step by step to advance toward total victory. Strategic leadership required to correctly deal with the aforementioned issues might be said to be very difficult and complex. More than anywhere else, this requires political alertness, creativity, intelligence, good experience, ability to assess the situation accurately, and decisiveness.

Our Uncle Ho was a symbol of these qualities. He mastered the art of providing strategic and tactical leadership for the revolution. Chaired by Uncle Ho, the party Central Committee's Eighth Plenum (in 1941) reached several major decisions concerning strategic readjustment which—including the decision to put aside the slogan demanding the return of land ownership, the decision to create and seize opportunities to successfully conduct the General Uprising of August 1945, and the decision to sign the initial agreement of 6 March 1946—serve as tangible evidence of Uncle Ho's excellent skills in providing strategic and tactical leadership. President Ho Chi Minh was really a man of those historic decisions that were made at historic turning points. At present, our party is applying the aforementioned thought of Uncle Ho under new circumstances, in order to tackle those problems arising from the process of renovation and from the cause of socialist construction and national defense.

Fifth, not only was Uncle Ho a great thinker and a gifted strategist, but he was also a great organizer known for his system of creative organizational concepts. Lenin put it: organization, organization, and organization, "give us a revolutionary organization so we can change Russia!" [Footnote 3] [V.I. Lenin: Complete Collected Works, Progressive Publishing House, Moscow, 1978, pages 6, 162]. Our Uncle Ho's entire life concerned organizational work, both at home and abroad. Uncle Ho was the founder and trainer of our party. He founded the National Unified Front, the people's Armed Forces, and the people's administration. His theoretical viewpoints on organization occupy a very important position in his thought. This can be seen through his many watchwords, advocacies, and measures aimed at building and organizing the revolution and directing the implementation of revolutionary tasks.

In founding and building the party, Uncle Ho put forth many propositions, including the following, which has been used as a basis for building our party: Our party is

a product of the integration of Marxism-Leninism with the workers' movement and the patriotic movement.

Uncle Ho built the armed forces with the concepts "coming from the people and fighting for the people." These forces have won the love and trust from of people and have been given the lofty title of "Uncle Ho's Soldiers" by the people. A quotation from Uncle Ho learned during the anti-U.S. period was heard by everyone, young and old: "Be loyal to the country and faithful to the people; fulfill all assigned duties; overcome all difficulties; and defeat all enemies." This quotation is a guiding thought for the successful building of our people's armed forces.

Uncle Ho built our state with the concepts that "our people should be the master of the country," that "the administration from the central level down to the infrastructure should be elected by the people whom it serves," and that "state cadres should be the servants of the people and not revolutionary mandarins."

Uncle Ho built the all-people solidarity bloc with the intention of founding a large national unified front. His great guiding thought for building the all-people solidarity bloc—a factor which was decisive in the victory of the revolution—was: "Unity, Unity, Great Unity; Success, Success, Great Success." This great thought encouraged and gathered the force of the entire people in the long struggle for independence. This great thought is now continuing to encourage and gather the force of the entire people in the causes of renovating the country and carrying out national construction and defense.

From the organization of revolutionary forces, there have emerged Uncle Ho's prevailing concepts that "The country should regard the people as its root," that "the revolution should be the cause of the masses and not the product of any particular individuals or heroes," that "everything should be decided by the people and done for the people," and that "the people should be the force deciding all the victories of the revolution." During the anti-U.S. war of resistance, Uncle Ho often reiterated an axiom: "Without the people's backing, we cannot do anything, no matter how easy it may be; with the people's support, we can do anything, regardless of how difficult it may be."

Sixth, Ho Chi Minh cultivated himself into a great man. This can be seen not only in his creative theoretical thinking, his flawless strategic decisions, and his persistent, endurable, and effective organizational activities, but also in his revolutionary ethics and work behavior. More than anyone else, Uncle Ho attached great importance to the idea of steeling oneself in revolutionary ethics. This is because "only when a person is strong can he carry a heavy load over a long distance, and only by regarding revolutionary ethics as a mainstay can a revolutionary fulfill his glorious revolutionary mandate." [Footnote 4] [Ho Chi Minh: Collected Works, Su That Publishing House, Hanoi, 1980, pages 2, 94]. Uncle Ho believed that revolutionary ethics are "the mainstay,"

the "root", and the "strength" of revolutionary cadres. To him, revolutionary ethics are traditional ethics enhanced by ethical concepts of Marxism-Leninism. They are not something abstract and difficult to understand, but rather something normal, highly practical, and easy to understand.

Our Uncle Ho was symbolic of a revolutionary who dedicated his entire life for the people, for the country, for national liberation, and for the liberation of men—those who "cannot be tempted by wealth nor changed in the face of poverty and who cannot be subjugated by force," and who "are diligent, frugal, honest, righteous, impartial, and disinterested." They are those who lead a simple life, and their speeches match their deeds. Poet To Huu wrote the following words about Uncle Ho:

Uncle treats us with immense love,
As if we were flowers or ears of rice.
He struggles for the freedom of enslaved people,
So we can have milk for the infants and silk for the elders.

With the above ideological values, our Uncle Ho was not only able to creatively apply Marxism-Leninism in the specific circumstances of Vietnam, but also to contribute to developing Leninism.

At present, our entire party and people are carrying out comprehensive renovation in line with the spirit of the resolutions of the sixth and seventh party congresses. In the process of renovation, our party has always persistently and creatively applied Marxism-Leninism and Ho Chi Minh's thought, so as to promptly and correctly tackle those newly-arising problems in the practice of revolution.

Fully understanding those great thoughts of President Ho Chi Minh and implementing his testament, we should persist in the socialist path chosen by him, step up the renovation undertaking, and resolutely struggle to build Vietnam into a prosperous and powerful socialist country where the people can enjoy a bountiful, happy, equitable, and democratic life. This is the best way to demonstrate our loyalty to the ideals and the cause of Uncle Ho and to express our sentiments and deep gratitude for him.

MILITARY

Changing Direction of Education, Training for Soldiers

922E0146A Hanoi TAP CHI QUOC PHONG TOAN
DAN in Vietnamese Mar 92 pp 3-8

[Article by Maj Gen Nguyen Hai Bang]

[Text] In training year 1991, the entire Army made a great effort and concentrated on thoroughly understanding and implementing the resolutions of the Central Military CPV [Communist Party of Vietnam] Committee and the directives of the Ministry of Defense on

changing the contents and organizing troop educational and training methods in accord with the new requirements and tasks. As a result of this, many things were accomplished, progress was made on all fronts, and many good lessons were learned. The leaders, commanders, and various echelons organizations attached suitable importance to overcoming the difficulties and looking for many ways to improve the quality of troop education and training in an all-round manner. They gradually stabilized the organization and rolls of the units, gave attention to training cadres, and actively trained the ranks of non-commissioned officers and technical personnel. The training of the soldiers and detachments underwent a good change. Emphasis was given to training all three branches, and there were many synchronized measures for improving training in issuing orders to the troops. Many of the training manuals were revised and supplemented.

However, as compared with the requirements, tasks, and training norms, the results achieved were still poor and weak. Cadre training was not prepared carefully, and the contents were not complete. The use and organization of the training methods was not good. Many of the detachment cadres and non-commissioned officers failed to manage or train their units well. Detachment training was not carried on in accord with the plans, and many detachments had to be trained again. Training funds and materials were not distributed to the units in a timely manner, the emphasis was on distributing things equally rather than on distributing things to the right target, and the management of the training funds and materials was loose. The experiences were not reviewed in a timely manner, and many good lessons were not summarized, elevated, and shared broadly throughout the military.

In order to overcome these weaknesses and greatly improve the quality and results of the training, in training year 1992, along with thoroughly understanding and implementing the combat training orders and the directives and plans of the General Staff, we would like to mention other problems that must be solved too:

1. Thoroughly understand the guiding ideas and the direction and requirements of troop education and training in the present situation:

We understand that this year, there are still few factors for achieving results in training. The ranks of detachment cadres and non-commissioned officers are still weak and small, and training funds are very limited. Along with this, there are many other tasks that must be done. However, we have some very basic advantages. Specifically, after three years (1989-1991) of renovating troop training, the party committee echelons and various echelon commanders in the military clearly recognize the importance and central position of troop training in peacetime. This did not happen naturally but is the result of understanding educational realities and processes and struggling against the erroneous ideas of the party committee echelons and various echelon commanders. On the other hand, we have accumulated much experience

on guiding and managing things and on renovating the training contents, organization, and methods. The organization of the cadres and units is gradually being stabilized, and "practical, basic, and stable" training formulas are being put into practice. Another very basic advantage is that the party committee echelons and local authorities clearly understand the task of solidifying national defense and building people's Armed Forces and a people's Army. Because of this, they are giving suitable attention to and investing suitable amounts in this, and they have provided funds and materials worth billions of dong (outside the national defense budget) to train the local troops, reserve forces, and militia and self-defense forces. Typical examples are Quang Ninh, Quang Nam-Danang, and Khanh Hoa Provinces and the provinces in the Nam Bo Delta.

Based on clearly recognizing the difficulties and advantages, thoroughly understanding and implementing the resolutions of the seventh party congress on "building people's Armed Forces with a suitable number of standing forces based on the direction of the revolution and gradually modernizing and improving the quality of the reserves and militia and self-defense forces so that they have high combat capabilities," and thoroughly understanding the concept of independence and self-reliance, the entire military is continuing to train based on the guideline "fundamental, practical, and stable" in order to satisfy the requirements and complete the tasks in accord with spheres of operation of each force and unit given the existing table of organization and equipment and in accord with the combat objectives and Vietnamese military arts. At the same time, much attention is being given to building political capabilities and ensuring that the Armed Forces are well trained politically, that they have a spirit of revolutionary vigilance, that they clearly understand the plots, stratagems, situation, and destructive capabilities of the enemy, and that they have will power and resolve and a concept of the offensive to defeat the enemy's plot of peaceful change and to defend our socialist fatherland in every situation.

In order to complete these heavy tasks, along with implementing the fundamental requirements such as continuing to renovate the contents of the training, organizing training methods, building units that are strong in all respects, adhering to and carrying on cadre (including organizations) and detachment training well, guiding the training of all three branches and all the services in all respects, and adhering to and making good use of the six combined elements (theory and practice, ideas, and action and behavior, drill grounds with battlefields, technology with tactics, fundamentals with application, and studying new things with reviewing old things) and the three problems in guiding and organizing training methods (manifesting self-conscious democracy in training, closely coordinating theory with practice, putting practice first, and transmitting combat experiences during training), the party committee echelons and various echelon commanders must have high resolve and understand that education and training is the central

task in building people's Armed Forces and a people's Army in peacetime. This means that the other tasks must revolve around and support the education and training tasks. Training must be carried on on a continuous basis, monthly and quarterly. It must be carried on systematically from one year to the next. In order to maintain combat readiness, depending on the unit and location (northern, central, and southern regions) and on the requirements and tasks, instead of carrying on training from March to November every year (the stipulated period) as in the past, training can be carried on year-round. Of course, suitable periods must be set aside to make preparations and to review the training, but this doesn't have to be done in December, January, and February of each year. Another important requirement is that the activities of the party committee echelons and various echelon commanders must revolve around the target of improving the results of troop education and training. The staff, combat, political, rear service, technical, and finance units from the ministry to the units must concentrate on providing guidance and ensuring that the training tasks are completed. This must be regarded as one of the leading political tasks of the entire military. On the other hand, the various echelons must also realize that strengthening political education and military training will have a positive effect on the other tasks of the military in peacetime and contribute to building socialism.

2. Continue to supplement, revise, and perfect the training contents and methods for all targets:

In the present complex situation, the various echelon committees and commanders must give suitable attention to providing political, ideological, and theoretical training to the troops, above all the cadres, so that the Armed Forces constantly maintain political stability and high unanimity concerning the lines and viewpoints of the party and can complete the assigned tasks well. To do this, there must be a fundamental renovation in the political and ideological education targets, programs, contents, and methods in accord with each target. This is not a simple task and will require a change in understanding and self-renovation among the ranks of command, management, and guidance cadres and instructors.

In military training, based on the targets and need to train the targets in accord with the new Military Draft Law, we must continue to reexamine the contents and programs, revise things, balance the periods, and achieve a rational balance among subjects techniques, specialties, and tactics) in order to constantly maintain combat readiness. A new system of training documents must be prepared based on predicted combat targets in accord with our equipment and combat methods. Through training, we must build the confidence of the cadres and soldiers in the existing weapons and equipment and in our military arts—arts that have always been able to create the unexpected and new strength—so that they can defeat enemies who have modern equipment, including high-tech weapons.

The cadres must be able to coordinate self-study and short-term training. Self-study and allowing the units to organize training for the cadres must be the primary focus. Efforts must be concentrated on eliminating the weaknesses of the cadres and going deeply into the contents. An effort must be made to ensure that by the end of this year, the majority of primary-level and detachment cadres have sufficient capabilities to command and train the units based on the decentralization stipulated.

Attention must be given to the quality of the training given to the command non-commissioned officers and specialists. An effort must be made to ensure that the majority of the command NCOs can carry out the management tasks, manage the training, and command the squads and gun crews in combat. The first thing is to train them so that they can manage and control things, provide training regarding a number of technical themes, individual tactics, and physical education and issue orders to the squads. The specialists must be highly skilled in their specialized functions and tasks.

With technical training being the basis, each soldier must be trained so that he grasps and can make good use of the combat technology and special-sector techniques in accord with the assigned tasks of each branch and service.

As for tactical training, this year we will continue to provide training from the individual to the battalion, with the company being the key echelon. From the squad on up, after the ranks of tactical personnel have been trained in the various combat methods, maneuvers employing those methods must be organized. After the study of the combat methods has been completed, integrated maneuvers must be organized before turning to higher-echelon tactical training. In tactical training, attention must be given to basic training. The movements of individuals and actions of lower-echelon detachments must not be insecure when studying at higher levels. Tactical exercises must be conducted in all types of terrain. Exercises must be conducted in carrying things (studying ways to equip soldiers efficiently and lightly so that they can operate easily in all types of terrain), climbing "foot bridges," crossing rivers using rudimentary means, and so on based on our methods of attack. When conducting tactical exercises, the various branches and services must provide training in joint operations between the infantry and other branches and services.

3. Provide training so that the Armed Forces can participate in opposing the enemy's stratagem of peaceful change and their plots to incite disturbances.

Today, opposing the enemy's plot of peaceful change is one of the burning, regular, and leading tasks of the entire party, all the people, and our entire military. In order to defeat this plot, we must use the integrated strength and integrated measures of the political, ideological, economic, diplomatic, and security factors under

the leadership of the party and the management of the administration. The Armed Forces of the three branches, particularly the reserve forces, the local troops, and the militia and self-defense forces, must be the dependable and strong foundation in this struggle. Because along with carrying on the combat readiness training well, the Armed Forces must give suitable attention to training to participate in opposing the stratagem of peaceful change and the plots aimed at inciting disturbances and revolts. This must be regarded as a very important task, particularly for those units that have been made responsible for carrying out this task. Beginning this year, the main-force units must set aside 1 month of the training year to study and carry on mass agitation work.

This very new task means that the Armed Forces must prepare training contents and methods to enable the troops to understand the lines and policies of the party and state, adhere to the religious and nationalities laws and policies, and study mass agitation methods. The Armed Forces must be enabled to clearly distinguish between peaceful change and revolts. They must be trained and taught how to deal with disturbances and revolts, they must be taught propaganda and mobilization methods, and they must be trained to coordinate things with other forces, the people, various organizations, mass organizations, the public security forces, and so on to defend the important targets and seize the targets occupied by the reactionaries. In 1991, we learned a number of good lessons regarding the Armed Forces carrying on mass agitation work. Those lessons must be transmitted to all the units so that they can use them and so that these can continue to be supplemented and perfected. Naturally, each location has its own special characteristics and different targets and so the way that those lessons and methods are used will differ. Things must be done in a very flexible manner in accord with the situation in each locality.

Along with the task of opposing peaceful change and putting down disturbances, we must be ready to deal with "low-level conflicts" involving the rapid reaction forces of the enemy. To do this, we must estimate the scale, stratagems, force and means capabilities, times when conflicts could break out, and the direction of attack of the enemy. We must foresee which of our important targets must be defended and the zones that will require forces in order to annihilate the enemy quickly. Based on this, we must formulate plans for organizing and using our forces and for dealing with and resisting the enemy, and we must train the troops so that they can take the initiative in any situation.

4. Perfect the system of command and management organizations and maintain training:

This is a very important factor in ensuring the results of the troop training. This year, the various echelon training organizations must be solidified and consolidated so that they have sufficient personnel. Quality must constantly be improved, and the functions and tasks of the commanders and training organizations,

from the ministry, military regions, and corps [quan doan] to the units and detachments, must be clearly defined. The training organizations of the ministry and military regions must guide the contents, organize methods, and control the training of the three types of forces. We must avoid the situation of past years, when only the main force troops were guided and controlled. In previous years, the militia and self-defense organizations and local military organizations were in effect given a "blank check" in managing the local troops and the militia and self-defense forces. As for the various branches and services, in past years, the ministry managed only the training of the infantry. This year, it must strive to manage the ground forces and gradually move toward managing the other branches well.

Because the Statutes on Combat Training Staff Work have not been officially promulgated throughout the military, the units must rely on the draft "A Number of Stipulations on Managing Combat Training" and decentralize guidance and management and improve the work methods in order to firmly control the quality and results of the training. In guiding and controlling training, there are four important problems that must be understood:

First, prior to the training season, based on the orders of higher echelons and the special characteristics and tasks of the units, the various echelons must perfect their training documents, orders, and plans. We must avoid the situation that has existed for a long time. That is, in the past, many units have formulated training plans based only on the plans of higher echelons. The plans have not been based on the special characteristics, tasks, capabilities, and resolutions of the party committee echelons or the decisions of their echelon leaders. Clearly, with this formal way of doing things, it will never be possible to achieve good training results.

Second, the cadre training plan must be implemented effectively. Attention must be focused on cadres who have recently graduated from school, cadres who have recently been promoted and given assignments, detachment cadres, scientific and technical cadres, non-commissioned officers, and specialists.

Third, timely and accurate training information must be provided. Management must be decentralized, and the training situation must be monitored and integrated by week, month, stage, and training year. In the past, at the end of training stage or year, some military regions failed to file training reports, and many units did not review the training. This must be avoided.

Fourth, work methods must be improved, guidance must be unified, operations must be coordinated closely and in a timely manner, and responsibilities must be clearly assigned among the organizations above the ministry and among the general departments and departments and between the organizations and the units. We must avoid the situation in which units avoid work because specific responsibilities have not been assigned or because the lack of unified guidance between the staff,

political, rear service, technical, and finance organizations makes it difficult for lower echelons to implement things.

As for providing materials for the training, given the fact that funds and materials to support training are still very limited, the training organizations must distribute the training funds and materials to the units in a rational manner and ensure that this is done in accord with the training requirements and tasks. Also, this must be done fairly and openly, and the funds and materials must be managed closely and used in an effective and frugal manner. Studies must be done to standardize training funds for each target. At the same time, the units must be motivated to manifest a spirit of self-sufficiency and self-reliance. They must prepare the drill grounds and training tools well (platoons, companies, and battalions must have drill grounds). The troops must not be left to "study empty-handed" without drill grounds related to the tasks and realities of combat. On the other hand, attention must be given to investing in research to make inventions and produce models and teaching implements. The drill grounds and basic parade grounds must be consolidated and used based on the new attack methods. The training equipment must be maintained and stored and the firing ranges must be maintained so that they can be used for a long time. Priority must be given to providing funds and materials to the key units and for the main tasks. An effort must be made to avoid "prescribing a medicine and filing a prescription," which is wasteful and negative in nature.

Article Discusses Building Reserve Forces

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DAN in Vietnamese Mar 92 pp 9-13, 76

[Article by Hai Dang]

[Text] In order to solidify the country's defense capabilities in peacetime conditions, in recent years, along with building an all-people's national defense, building a people's war position, and building people's armed forces, the entire party, all the people, and the entire military have been actively and urgently building and solidifying reserve forces that are prepared to satisfy the mobilization requirements if war should break out. This is a new task involving many difficulties and complexities. We do not have much experience in this and so we are both carrying on things and gaining experience. We have inherited and exploited the traditions and experiences in mobilizing the human and material power of the people through several decades of patriotic warfare and made selective use of the mobilization experiences of other countries. Because of this, we have gradually put building and solidifying the reserve forces on the right track in accord with the country's new conditions.

One of the major achievements of building reserve forces in recent years is that the party and state have promptly issued resolutions, directives, and decrees on building

reserve forces. The party committee echelons and various echelon authorities have correctly understood the importance of preparing for military mobilization. With the plans for building defense zones, the sectors, provinces—municipalities and districts—and cities and many villages and subwards have made plans to build reserve forces and carried on test exercises in order to evaluate the results. Many of the stipulations, measures, policies, and procedures for reserve forces have been revised and supplemented in accord with the new requirements. Thanks to the above measures, we have been able to tie mobilization activities to the general economic and social activities. During the past decade, we have organized many reserve units of the ministry, military regions, branches, services, provinces, and districts on different scales based on the requirements and plans.

However, as compared with the requirements, the results that have been achieved are still quite poor. The quality of the reserve units is poor, their level of readiness for mobilization and combat readiness is still low, and management and training is inefficient, disjointed, formal in nature, and not in accord with the real conditions in the localities and at the bases. A number of units have been stabilized with respect to their table of organization and equipment, but the percentage of correct military specialties is still low.

The above limitations are due in part to our country's economic and social difficulties. But they also stem from the fact that the construction of the reserve forces has not changed in accord with the present movement to renovate the structure of the economy and from the fact that mechanisms and policies for maintaining the reserve forces are unsuitable. But in my view, the main reason for this is that the various echelons and sectors do not understand this work, do not have a sense of responsibility for this, and have not made an effort to carry out this work. Besides this, we have not selected or determined formulas or suitable models for organizing and building reserve forces in the new conditions. Thus, even though we have been carrying on mobilization work for many years, we are not really satisfied with the quality or the results of this work. This is something that must be studied in order to have a unified viewpoint and soon stipulate optimum formulas and suitable models for the various types of reserve units based on scientific arguments in accord with the requirements, tasks, and realities of the country. In this spirit, I would like to mention a number of problems that must be solved:

1. Building reserve forces is the task of the state and all the people under the leadership of the party:

This is an important element in the military and national defense views of the CPV in the documents of the Seventh Party Congress. In the new conditions, the party continues to affirm that "solidifying all-people's national defense and people's warfare... is an important task of all the people, the entire military, and the entire political system." [Footnote 1] ["Documents of the Seventh

National Congress of Delegates, Su That Publishing House, Hanoi, 1991, pages 85, 86] In this, the task of "building powerful reserve forces that are well trained and managed and that can be mobilized quickly according to the plan when necessary" [Footnote 2] [Ibid.] is an important element in solidifying all-people's national defense.

It must be understood that building reserve forces is the task of the state, all the people, and the entire political system. Clearly defining responsibilities this way is not new. The important thing is that this must be carried on in conditions in which the country is continuing to carry on all-round renovation in depth in order to successfully carry out the two strategic tasks of the Vietnamese revolution.

Solidifying national defense in general and building the army and reserve forces in particular is a special sphere that is related to the survival of our country and our system. Thus, this must be placed under the absolute and direct leadership of the Communist Party of Vietnam, particularly in conditions in which the enemy is implementing plots and stratagems to "depoliticize" the Armed Forces. The important thing here is to correctly resolve the relationship between the party and state in order to maintain the leadership role of the party and ensure that solidifying national defense and building the armed forces is the task of the state and all the people. Based on this principle, we must soon determine a strategy for building reserve forces, determine the orientation of the five year plan and the major policies, and renovate the party's leadership mechanism with respect to the military.

In order to exploit the managerial effect of the state with respect to the reserve forces, we can concentrate on a number of important matters: Clearly defining the functions, tasks, and powers of the state apparatus and sectors, promulgating state laws regarding the lines and policies on building reserve forces, building the various echelon and sector military organizations in accord with state management functions, building and training the ranks of state cadres with respect to building national defense, and using the system of state tools to educate all the people concerning a spirit of vigilance and the task of solidifying national defense and building the armed forces.

Along with solidifying the leadership role of the party and the managerial effect of the state, the role of the mass organizations and of the social organizations must be manifested in building the reserve forces. Building people's Armed Forces and a people's Army (which includes reserve forces) is the task of all the people. The people must contribute to building these forces. In order to manifest the ownership rights and responsibility of each person to a high degree, through the mass organizations and social organizations, education must be strengthened so that people have a concept of vigilance and a sense of responsibility for defending the fatherland and protecting the achievements of the revolution,

actively participate in building the Armed Forces and solidifying national defense, and implement the policies and obey the laws on national defense.

2. The formulas for building reserve forces must be renovated, and that task must be turned over to the localities, ministries, and state sectors.

Based on the present need to build people's Armed Forces and a people's Army, a pressing requirement is to find formulas and measures to organize, build, manage, and train reserve forces and achieve good results. Determining formulas and measures for building reserve forces must be closely related to the situation and to the tasks of building the country, building an all-people's national defense, and building people's Armed Forces. There must be close coordination between the Ministry of National Defense and military units and the ministries, sectors, party committee echelons, and local authorities in organizing and implementing things. The incorrect view that building reserve forces is the task of the Ministry of National Defense, the local military organizations, and the military units must be corrected. Because of this, a very important matter is to clearly define the position, role, and responsibilities of the localities, ministries, and state sectors (including the party committee echelons, authorities, local military organizations, mass organizations, social organizations, and sector committees), of the Ministry of National Defense, and of the military units and recognize mobilization sources in organizing, building, managing, and training reserve forces.

The initial lessons in building peacetime reserve forces, especially through mobilization exercises in the provincial and municipal defense zones during the past several years, have shown that the localities have adequate capabilities and the conditions to play a primary role in building, organizing, managing, and training reserve forces in their localities. Thus, in my view, the task of organizing, building, managing, and training reserve forces should be turned over to the localities, ministries, and state sectors. This means that the localities, ministries, and state sectors will bear primary responsibility for organizing, building, and managing the reserve forces and play a role in training these forces for the main-force units. As for the local forces of the provinces and districts, the localities must bear "total" responsibility from A to Z. Thus, based on this new formula, the localities and the ministries and state sectors, which had previously turned mobilization over to the main-force units based on the stipulated norms and plans, must now organize, build, and manage fully mobilized units in order to turn them over to the military. Instead of accepting mobilization sources in order to directly organize, build, and train forces, the stand-by units responsible for mobilization activities will now turn, along with the localities, to organizing training and making preparations to receive the fully mobilized units turned over by the localities in order to consolidate their peacetime table of organization and equipment.

Implementing this new formula is a very lofty requirement with respect to the localities and state sectors. The localities and sectors will be responsible to the state and military for the quality and size of the mobilized units that they turn over. But looking at actual capabilities, with their tradition and experience in mobilizing human and material power during the war years, it can be affirmed that the localities and state sectors certainly have adequate capabilities and the conditions to carry out this task well. This is because of the following basic factors:

First, although not yet adequate or complete, we do have party resolutions and directives, which have been promulgated as laws by the state, that clearly stipulate the responsibilities of the localities and state sectors on organizing and building reserve forces based on the plans. The results of developing military mobilization during the past several years show that the party committee echelons and local authorities thoroughly understand the viewpoints of the party and have a lofty sense of responsibility, and they have accumulated much valuable experience in leading and guiding the mobilization activities.

Second, the localities have and are expanding the construction of provincial and municipal defense zones, and the mechanism in which the party leads, the authorities manage, and the military organizations serve as the staff is being solidified and it is operating effectively. To date, the provinces and cities in the country have carried on defense zone maneuvers and strongly promoted the construction of reserve forces. They have formulated mobilization plans at each echelon and in each locality, registered a relative large number of reserve forces, and carried on test mobilization activities in a number of localities and units, achieving good results. This provides a basis for exploiting the relatively large capabilities of the localities and sectors with respect to human and material power, particularly in terms of the number and quality of the ranks of reserve non-commissioned officers, officers, and soldiers.

Third, the localities and state sectors are the places where reservists live, work, and bear all-round management. Using the bases to build and manage reserve units and manage the reservists will make it possible to manage things constantly and closely and ensure that the reserve units are always prepared.

Fourth, in the face of the present difficult economic situation, the national defense budget is very limited. If the old formulas are maintained and the Ministry of National Defense remains responsible for building the reserve forces in all respects, it will not have the strength to do this, and this will not be in accord with the new situation. At the same time, from the central echelon to the bases, there are military organizations that are linked to the administrative structure of the localities, ministries, and sectors. Because of this, clearly assigning

responsibilities and decentralizing reserve force management and construction between the Ministry of National Defense and military units and the localities and sectors is quite rational.

3. In order to put the new formula on building reserve forces into practice, I would like to mention several measures to organize and implement things:

Turning over the task of building and perfecting reserve units to the localities, ministries, and state sectors certainly does not mean that they will be given a "blank check." The military units responsible for accepting the mobilized units must participate with the localities in organizing, building, and arranging the table of organization and equipment, stabilizing initial organization, and carrying out the construction and training tasks that the localities are not capable of doing. The localities and units must work together closely in order to organize and build mobilized units of high quality and with sufficient numbers.

Today, the capabilities for mobilizing reservists in the localities are very great, but because management and training have not been coordinated closely with the annual recruitment activities, a number of units still lack the military skills necessary to form reserve units. In the coming period, the Ministry of National Defense and the localities will rely on the basic mobilization plans in order to soon stabilize things and achieve a balance between the regular forces and the reserve forces and between the mobilization plans and the recruitment plans, and they will give attention to training mobilization sources in the southern provinces and the sparsely populated mountain provinces in order to regularly provide sufficient sources for the mobilization units in accord with the plans. On the other hand, the size of the units that the localities must build must be determined based on the special characteristics and capabilities of each sector and locality, and it must be determined what level of unit and which type of unit the provinces, districts, and villages are to build.

In order to build high-quality reserve units and maintain mobilization readiness, along with using the new formula, specific measures that are in line with the actual situation of the country and localities must be put forth. In particular, attention must be given to solidifying and perfecting the local military organizations and the full-time mobilization organizations of the ministries and state sectors to ensure that they have sufficient personnel and capabilities to serve as the staff for the committee echelons and authorities. Specific and practical policies and measures must be proposed for leading and guiding things. At the same time, things must be organized effectively to carry out the tasks assigned. The local military organizations will have to make a great effort if the requirements of the new situation are to be satisfied.

The mechanism and policies for maintaining reserve forces must be renovated, because the procedures and policies promulgated by the party and state contain

points that are no longer in accord with the present requirements. Many new problems have arisen, requiring that revisions and corrections be made. The party and state should soon promulgate legal documents clearly stipulating the responsibilities, powers, and duties of the party committee echelons, authorities, committees, sectors, and mass organizations in military mobilization. They must stipulate a mechanism to provide budget funds and materials for each echelon for building reserve forces. The system of policies regarding the military, the military rear, soldiers on active duty, and reservists must be revised, supplemented, and perfected in order to lift the spirit and elevate the concept of self-consciousness of all the people and the entire military, particularly reservists, so that they enthusiastically participate in building and solidifying the reserve forces.

ECONOMIC

Stories Illustrate Foreign Investment Gaps

922E0143A Ho Chi Minh City TUOI TRE CHU
NHAT in Vietnamese 19 Apr 92 pp 4, 5

[Article by Nguyen Tran and Phan Tien under the rubric "Issue of the Week" entitled: "Some Not-So-Amusing Stories About Investment"]

[Text] Over the past four years, since the promulgation of the Law on Foreign Investment in December 1987 to date, nearly 400 investment projects have been licensed with a total capital of nearly \$3 billion. As time went by, the pace of foreign investment in Vietnam quickened, as shown by the number of licenses issued by the State Committee for Cooperation and Investment [SCIC]. However, to this day, verification and control of the "capital inflow" made by foreign partners have proved virtually impossible and have failed to keep pace with the activities of the joint ventures after they received their licenses. Aside from these official joint ventures, at present there is also a kind of foreign investment that is popularly called "underground" investment and that is not governed by the Law on Foreign Investment. Despite their appellation, these "joint ventures" have operated fairly vigorously. What is the reason for this "underground" investment phenomenon?

From Sham Joint Ventures...

It can be said that it is much easier to obtain an investment license now than it was three or four years ago. This shows that the state is speeding up the pace of foreign investment and that foreign investors themselves are eagerly seeking markets in Vietnam. However, in reality, there is always a gap between the licensing of a project and its implementation. There are many reasons for this, including the one called a "desire to reserve a seat in advance."

Investment Without Capital!

The Ben Tre Car Joint Venture was granted License No. 56 on 28 February 1990, but, by the end of 1991, an SCIC inspection team still found that its foreign partner "was neither capable nor desirous of contributing capital" despite repeated reminders.

In a similar case, a medical and legal intermediary service joint venture never received a single dollar from its foreign partner, prompting an SCIC inspection team to propose its dissolution. Meanwhile, there have been cases in which some joint ventures did not receive capital from abroad but still operated with locally provided capital, such as the Velfa Electrical Equipment Designing, Repairing, and Manufacturing Joint Venture (License No. 19 issued on 5 October 1989), or the Seabatechmic Electrical Engineering Cold Storage Equipment Production Joint Venture (License No. 15 issued on 8 July 1988). Since these concerns were no longer bona fide joint ventures, the SCIC inspection team also recommended their dissolution.

The phenomenon of making investment without contributing capital or providing "piecemeal" capital which falls short of the requirements of a project is a fact worth sounding the alarm about. In Ho Chi Minh City, nearly 15% of the licensed concerns have not contributed capital. Meanwhile, as of late 1991, joint venture partners in Ho Chi Minh City had contributed only 29% of the total mandatory capital.

Public opinion has not forgotten a typical case of investment "fraud" involving the reconstruction of Le Lai Hotel. A sham Singapore company, after committing to set up a joint venture to build a five-star hotel in the city, fled the country with its license, leaving behind a "rubber" check. At present, Saigon Tourist Corporation has signed an agreement with another Hong Kong-based company to construct the hotel.

Investments That "Run Aground"

There have also been no few cases in which investment projects were implemented too late or became deadlocked from the outset, partly because the foreign partners realized they did not have sufficient capital or because they were having difficulties. The Seaba International Joint Venture was a case in point. The Vietnamese partner asked for the venture's dissolution because its foreign counterpart was operating at a loss and failed to contribute capital on time. Another joint venture specializing in tanning also temporarily halted its operations at the request of its Thai partner because of changes in the leather market. Some contracts for salvage of sunken ships and their cargo were suspended because the foreign partners deemed that their profits were smaller than expected.

Some joint ventures asked to change the direction of their operations when they ran into trouble. A joint venture for the exploitation of eucalyptuses in Eastern Nam Bo sought permission to expand its investment

area to the Western Nam Bo provinces on the grounds that it lacked a market for raw materials. Meanwhile, a computer electronic products joint venture, after a period of market survey, requested permission to produce engineering items under contract for export. The Tavuco Bamboo Chopstick Production Joint Venture, after a transfer of license to a different foreign partner failed to get its operations started, had to file for dissolution.

The Vietnamese partner in a joint venture for cold storage equipment production, despite the fact that 70% of its required capital had been collected, also filed for dissolution because of marketing difficulties and a lack of agreement in management with its foreign partner. The foreign partner, however, has not yet agreed to the move. In inspections conducted in southern provinces at the end of 1991, the SCIC discovered that up to 22 investment licenses (out of the total of 92 licenses inspected) needed to be reexamined. If the business units concerned could not overcome their difficulties, they must be dissolved.

Whose Fault?

Aside from the haphazard ways of "investing" of many foreign companies as cited above, other sleights of hand have been exposed, such as their practice of "marking up" the prices of equipment, supplies, and raw materials provided as part of capital contribution. At the same time, a number of foreign partners have taken advantage of their joint venture licenses to trade in other fields without authorization. True, craftiness in business and difficulties and mishaps in economic operations are hard to fully gauge, but we think that fraudulent ways of investment such as the ones mentioned above are not unpredictable and can be nipped in the bud.

This process must begin, first of all, with the verification and licensing of investment projects. At present, despite the many efforts made, this important work still shows noticeable "flaws." Meanwhile, there also has been the failure to clearly define the functions of a project, the time frame for its implementation, and measures to control the rate of capital contributions. On the other hand, at present we do not have any agency fully entrusted with the task of controlling and inspecting joint enterprises and investment projects. In our opinion, this work calls for the service of joint ministerial inspection teams, not inspection teams of the SCIC alone.

Looking at this matter from the investors' standpoint, we think that additional measures should be adopted to assist those joint ventures that face difficulties starting up their business.

...To "Underground" Investments

In late 1990, in Nhatico (Prefabricated Building Components Enterprise of the Union of Construction Materials Enterprises of Ho Chi Minh City), two foreign companies started out at the same time to invest capital

in improving the floor space, installing machinery....and organized log-cutting operations and the processing of wooden products for export in the name of business cooperation with Nhatico. After almost one year in operation, this cooperation hit some snags, which eventually led to litigation and the discovery that both foreign companies had operated without an investment license. Only then did Nhatico acknowledge that it had in fact engaged in the "live together first, marry later" practice.

In a precinct, three enterprises had operated for a few years and had always been introduced as joint ventures with South Korean companies. Recently, all of them abruptly turned into state-operated enterprises specializing in making products under contract for South Korea. Some precinct officials explained that this sloughing was aimed at legitimizing the status of the joint ventures, which had come into being and operated before applying for investment licenses.

Particularly in the domain of private production, in 1991 there were many property disputes between a foreign company and a local firm. Typical were the disputes at the K.T. Establishment, the L.K. Private Company, the M.G.M. Establishment.... The property in dispute was normally in the form of gifts originally sent by overseas Vietnamese to their relatives at home for investment purposes, but now these gifts were portrayed by the foreign partners as assets invested in production, although these investments were not made in accordance with the Law on Foreign Investment in Vietnam.

One Thousand and One Reasons!

When an "underground" investment runs into trouble, foreign firms often cite their ignorance of the Law on Foreign Investment in Vietnam as an excuse. In reality, such cases of ignorance do exist, but they are not numerous because, when planning to invest in Vietnam, most foreign businessmen must have studied the law sufficiently to know this most elementary fact: They must have a license before pouring money into their business operations. Therefore, it can be said that the majority of "underground" investments are deliberate attempts to "dodge" the Law on Foreign Investment. A question should be posed here: Why did these investors not abide by the law?

Mr. L., a Chinese resident of Hong Kong nationality, invested more than 300 million dong in building a workshop to produce chemical and cosmetic products. He allowed a person not related to him to be registered as the owner of this property, saying that with an investment of only some tens of thousands of dollars, he could not afford devoting a few months to applying for a license, thus wasting the time that should be better spent producing. A great many foreign businessmen have expressed similar views. Almost all of them dread going through the formalities of investment license application. Some have decided to make "underground" investments after failing in an earlier investment venture undertaken according to the law. The L.T. Company (of

Hong Kong) planned to invest in producing high-grade sanitary napkins. At first, the company found a Vietnamese partner and gave it money for use in applying for a joint venture license. Several months passed, but, for unknown reasons, the Vietnamese side was unable to obtain a license. Then, after seeing that similar products had appeared in the market, the L.T. Company had no choice but to take the short cut by asking a Vietnamese to help fulfill all the necessary formalities for opening a production workshop and to bring in equipment and raw materials in the form of goods sold on credit for an unlimited period of time. "Underground" investments are much more profitable to their financiers than formal investments are. Mr. T.N., a Taiwanese, has made a calculation and found that if it invests legally, a foreign-financed enterprise will not be able to compete with local enterprises of the same kinds. This is because local enterprises do not have to pay their rent and electricity bills in foreign currency and to pay their workers no less than \$50 a month. In particular, local enterprises have the upper hand when it comes to price competition because it is easier for them to evade taxes.

Some persons contend that the advantage of "underground" investments cannot make up for their disadvantage because their foreign financiers can easily lose their assets if "their relatives" make an about-face. A number of foreign investors have been cheated, but most of them know how to protest their property. Some foreign investors compel capital receivers to make out contracts for the purchase of machinery on credit. Some others turn their investments into debts and force capital receivers to sign IOU's. Recently, the notary public office in Ho Chi Minh City notarized many such IOU's, some acknowledging receipt of loans equivalent to the value of hundreds of taels of gold for the purchases of property and equipments.

Good or Bad for the Economy?

In 1990 and 1991, the nongovernmental production sector in the 5th Precinct invested a large amount of new, modern machinery and equipment worth more than \$2 million, 90% of which came from foreign-invested capital in the forms of loans to be repaid by installments, capital-generating gifts from overseas Vietnamese to help relatives earn their own living, transfers of machinery and equipment for use in making products under contract with a guarantee of purchase of these products.... Thanks to these investments, production in the 5th Precinct has made substantial progress. A host of new high-quality products have been turned out, including high-grade sanitary napkins, plastic, and aluminum goods.... Some people have quipped: Foreign investments in the 5th Precinct are "underground" but bright! Indeed, if we take into account its short-term socioeconomic results, this form of investment has created a good opportunity for Vietnamese economy to come into contact with modern foreign-made equipment and to replace its outdated, age-old machinery. This is the premise for creating large quantities of fine products for society

and employment for many workers. However, the development of such business enterprises of "ambiguous" ownership also is a matter of great concern for state managers. Obviously, the state of foreign investors sending home their profits through unofficial channels—thus, upsetting the domestic money market—is unavoidable. If these profits are reinvested in local production or in real estate in the names of Vietnamese owners, they may create a covert economic

force whose influence could hardly be realized by the management agencies!

If our policy does not make a distinction between local enterprises and foreign-funded enterprises..., and especially, if it allows private individuals to act independently in entering into joint ventures with foreign countries, the "underground" investment phenomenon will certainly be deprived of its breeding ground.

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